

CURRENT HISTORY

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Current History

SEPTEMBER, 1990

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Sweeping changes in the Communist world have affected China's relationships with both superpowers and have intensified its domestic difficulties and tensions. As for the future, "optimists speculate that strong American interest in China will revive once China returns to a path of political reform and economic liberalization. But prospects for reform in China depend on many factors. . . ."

Sino-American Relations in Adversity

BY ROBERT G. SUTTER

Senior Specialist, The Congressional Research Service

THERE were grounds for optimism in assessing the course of Sino-American relations in the late 1980's, before the upheavals caused by the unprecedented pro-democracy demonstrations and the brutal crackdown in mid-1989. The strategic dimension of the relationship, involving close Sino-American collaboration in opposition to Soviet expansion during the 1970's and early 1980's, diminished considerably in importance as both Soviet-American and Sino-Soviet tensions eased. Yet Chinese-American relations were seen as strategically important over the long term. Chinese policy planners thought China would play an increasingly important role in an emerging multipolar world. The superpowers, the United States and the Soviet Union, were expected to remain at odds and slowly to decline in power relative to other parts of the world. They were thought to be particularly interested in working closely with China and other newly emerging centers of world power (i.e., Western Europe and Japan).¹

China's ongoing economic reforms attracted increasing world attention and support among developed countries and the international financial institutions supported by them. Beijing looked forward to fruitful economic interaction, technology transfer and training in China's relations with the United States and other Western-aligned countries. Easing Sino-Soviet tensions also opened prospects for broader economic cooperation with the Soviet bloc.

United States policymakers for their part pursued the steady development of a multifaceted rela-

tionship with China. Trade ties grew to an annual turnover of \$13 billion in 1988. Aside from Hong Kong, the United States was China's most important source of investment. Political ties continued to grow with frequent high-level official visits, including representatives of the United States and the Chinese armed forces. United States technology transfer to China was an important element in Chinese modernization plans, and there were 40,000 students from China studying at United States universities.²

The Tiananmen massacre and subsequent Chinese government efforts to exert tighter control over political and economic developments in China repelled American leaders and popular opinion. United States government reaction in the form of official criticisms and limited sanctions prompted strong Chinese government protests. Many observers in the United States and China saw prospects of a downward spiral in relations, despite extraordinary efforts by the administration of President George Bush in sending two high-level missions to consult with China's de facto leader Deng Xiaoping and other leaders in July and December, 1989.

As far as China was concerned, the basic question determining future Sino-American relations centered on whether China would persist in its previously internationally oriented development strategy or would revert to a much more narrowly circumscribed relationship with the outside world, including the United States. For the United States, the question focused on how to strike an appropriate balance in suspending ties, issuing critical statements and otherwise showing disapproval for Chinese reversal of reforms, while sustaining United States interests in continuing relations with

¹Prominent Chinese foreign policy expert Huan Xiang was a notable proponent of this view in the late 1980's.

²Steven Levine, "The Uncertain Future of Chinese Foreign Policy," *Current History*, September, 1989, p. 262.

China. The answer to these questions was complicated by domestic factors, including partisan and leadership politics in both Beijing and Washington, and by a range of international factors including the radical shifts taking place in the policies of the Soviet Union and the East European countries.

By mid-1990, there was a distinct possibility that Sino-American relations might fall to a new low as a result of a United States refusal to renew most-favored-nation (MFN) tariff treatment for Chinese imports and Beijing's warnings of probable Chinese retaliation. But the leaders of both sides, although circumscribed by circumstances, were anxious to sustain a basic framework of relations that would serve their respective interests. Chinese leaders still regarded relations with the United States as a critical element in their efforts to modernize China. And American leaders were reluctant to allow their revulsion with the Tiananmen massacre to isolate China in ways that could jeopardize stability in Asia and a hoped-for revival of reform in China.

NEW CHALLENGES FOR CHINESE POLICY

The events in China that led to the Tiananmen massacre and the subsequent political crackdown and economic retrenchment vividly demonstrated the fault lines that run through the Chinese leadership over a range of sensitive domestic and foreign policy questions, including relations with the United States. Such division and debate worsen because of the jockeying for power among ambitious officials as the dominant older generation of leaders headed by 85-year-old Deng Xiaoping approaches its end.

Officials in Beijing who made the decision to suppress dissent forcefully recognized that much of the non-Communist world would react negatively. And they almost certainly expected some negative reactions to the intensification of China's concurrent economic retrenchment. Available evidence suggests that party leaders believed that their continued political control required such harsh measures; and at least some of them believed that sharp negative reactions from the West and elsewhere would pass without long-term consequences for China.³ Perhaps this prediction would have come true in late 1989 if world conditions had not changed. But events in East Europe and the Soviet Union upset this Chinese calculus.

The dramatic changes in the Soviet bloc had a ripple effect in China. They encouraged pro-democracy forces and alarmed Chinese leaders who

grew even more determined to maintain the party's monopoly of power. In addition, developments in the Soviet bloc abruptly ended hopes that Chinese leaders could avoid the "spiritual pollution" of pro-democracy ideas by expanding economic-technical contacts with the then Communist-ruled European countries. By 1990, the political ideas coming from East Europe appeared perhaps more directly challenging to the political status quo in China than the ideas from the West.⁴

Finally, changes in the Soviet bloc also attracted positive attention from the developed countries of the West and Japan, including the international financial institutions and businesses associated with them or located there. Thus, China's crackdown alienated foreign interests and capital; at the same time, the positive prospects in East Europe served as a magnet to attract these resources toward East Europe and the Soviet Union.

SHIFTS IN GLOBAL POLITICS

On the plane of world politics, the events of 1989-1990 began significantly to alter the balance of world forces that had been reasonably effective for China, especially over the last 10 years. Heretofore, the Chinese worldview had been premised on an international order heavily influenced by United States-Soviet competition. Because of their rivalry, the superpowers would spend resources on weapons, foreign bases and foreign interventions that would weaken their power relative to newly rising centers of world power like Japan, the European Community and China.

Given China's size, its strategic location, its armed forces possessing nuclear weapons, and its demonstrated willingness to use force to pursue its world interests, many observers at home and abroad saw China as holding a key position in world politics. It was one corner of the "strategic triangle" in United States-Soviet-Chinese relations—a critical balancing force between the United States and the Soviet Union. As such, policymakers in Washington and Moscow paid close attention to Chinese policies. Of course, the zero-sum quality of United States-Soviet-Chinese relations varied over time; by the late 1980's, for example, policymakers in Washington appeared confident that the slowly emerging Sino-Soviet détente would not have major deleterious effects on United States interests. But the fact remained that United States—and presumably Soviet—policymakers continued to pay close attention to how China's policy affected their respective interests in the United States-Soviet competition for world influence.

By mid-1990, however, relations between the United States and the Soviet Union had changed to such a degree that observers in China and else-

³See discussion of this view in *Crisis in China: Prospects for U.S. Policy. Report of the Thirtieth Strategy for Peace, U.S. Foreign Policy Conference* (Muscatene, Iowa: The Stanley Foundation, 1989).

⁴See, among others, *The New York Times*, January 7, 1990.

where could no longer safely assume that United States-Soviet rivalry would continue as an overriding international fact. Because of events in East Europe and the Soviet Union, it was becoming increasingly apparent to Western leaders that the Soviet Union was unlikely to pose a major threat to the West for some time. Even though there remained a persistent danger of the reversal of Soviet policies should Soviet President Mikhail Gorbachev be toppled or under other possible circumstances, it seemed likely that the United States and its allies would find the Soviet policies more accommodating than confrontational. United States interests might well be better served by encouraging the accommodating Soviet policies.

Thus the dynamics of United States-Soviet rivalry so central to China's worldview were in the process of fundamental change. In the past, Chinese officials had portrayed United States-Soviet collaboration as coming at the expense of lesser powers, especially those in the third world, including China—a concern that appeared to be reflected in recent Chinese media coverage.⁵ At a time of rapidly improving United States-Soviet relations, both powers would probably see that their interests would be best served by avoiding any actions with countries of lesser importance (including China) that could complicate the improvement in East-West relations.

U.S.-SOVIET COLLABORATION IN ASIA

Under these circumstances, both Moscow and Washington will likely see their interests best served by mutual accommodation in dealing with international trouble spots. In Asia, these trouble spots include Afghanistan, Cambodia and Korea. In 1990, both sides showed increasing interest in cooperating or working in parallel in order to ease tensions or settle conflicts in these areas.

From China's perspective, such United States collaboration with Moscow could signal a fundamental change in the common strategic orientation that has bound Sino-American relations since the rapprochement between Chairman Mao Zedong and United States President Richard Nixon. Despite their differences over a wide range of issues, China and the United States had reached common ground in the early 1970's on their fundamental opposition to Soviet expansion in Asia. This common Sino-American understanding continued with varying degrees of intensity for two decades. As the

Soviet threat to both China and the United States appeared to diminish in the 1980's, both sides adjusted their policies accordingly, but kept in close touch about their respective and often parallel policies vis-à-vis the Soviet Union. Indeed, the December 9–10, 1989, trip to China of United States National Security Adviser Brent Scowcroft was initially described as one in a long series of United States efforts to keep Chinese leaders fully informed about Soviet policies as seen in the series of United States-Soviet arms control and summit negotiations.

Taken together with the recent downturn in Sino-American relations, the events in East Europe and the Soviet Union and resulting changes in Soviet policy challenge the anti-Soviet basis of Sino-American policy in Asia. If trends in the Soviet accommodation of Western interests continue, United States policymakers may increasingly see that more can be gained from collaborating than from contending with the Soviet Union over Asian problems. And, insofar as China follows policies of internal repression, economic retrenchment and support for such unsavory foreign clients as the Cambodian Khmer Rouge, United States and Soviet policymakers may see their interests as better served by quiet cooperation and coordination of policies designed to foster an atmosphere conducive to economic and political reform in China and to common United States-Soviet goals of stability and progress in Asia.

BEIJING'S RESPONSE

As Beijing faced these challenges, some United States officials warned of possible dire consequences for future Chinese policy toward the United States and elsewhere if the United States reacted too strongly to China's political repression and economic retrenchment. They warned particularly that Beijing might revert to its former policies of self-imposed isolation in the interest of sustaining Communist party control.⁶ But more moderate United States views gained ground as Chinese leaders seemed to be placing limits on how far they would go to reverse the generally moderate foreign policies of recent years, including China's policy toward the United States.⁷ Limits were seen in several areas.

First, much of the basic framework that had governed Chinese foreign policy in the post-Mao period remained intact.

- Chinese leaders continued to place priority on promoting China's wealth and power. Economic development still represented a linchpin determining their political success or failure. They did not have the prestige of Mao, who could ignore develop-

⁵See, for instance, *Liaowang* (overseas edition), no. 2, January 7, 1990, p. 28.

⁶See the statement of February 7, 1990, by Deputy Secretary of State Lawrence Eagleberger before the United States Senate Foreign Relations Committee.

⁷See assessment of United States views in *National Journal*, February 24, 1990, pp. 445–449.

ment needs in pursuit of ideological or political goals. These officials had to produce concrete results in order to stay in power.

- All policies including foreign policy had to serve this goal. Foreign policy helped maintain a stable security environment around China's periphery, and it helped to promote advantageous economic exchanges.

The continuation of this basic framework suggested that China was not looking for trouble, but for help.

Second, broad international trends supported a continuation of moderation in Chinese foreign policy in general and policy toward the United States in particular.

- China's leaders were aware of their need to focus on economic development and to pursue open interaction with the world to achieve that goal; they knew of the accomplishments of Japan and many other non-Communist East Asian states, and the negative development experiences of the rigid Communist regimes in North Korea and Vietnam.
- Despite sanctions enacted by the West and Japan, the non-Communist world, especially the countries of East Asia, made it clear that they had no intention of isolating China.
- Soviet bloc changes meant that China could not turn to these countries for support for economic development if Beijing decided to cut back economic interchange with the West.

Third, internal factors and trends argued for moderation.

- The Chinese leadership appeared divided and in transition from one generation to another. Making significant changes in foreign policy in most areas remained sensitive politically. Past periods of similar leadership transition (e.g., 1973–1975, 1976–1978) did not see marked changes in foreign policy.
- Leaders who actively promoted reform, interaction with the world and cooperation with the West were quiet, but they had not been removed from power.
- Even so-called hardliners had proven records of relatively moderate foreign policies and related defense and domestic policies. Few appeared to favor a return to the policies of isolation, autarky or Stalinist control that were tried unsuccessfully in the past.

Finally, the evidence of Beijing's post-Tiananmen foreign policies did not suggest a radical shift. Even the results of the economic retrenchment and

political repression policies were mixed. Foreign trade and investment continued to grow, although at a less rapid rate than before Tiananmen. Thousands of American and other foreign experts continued to be invited to work with the Chinese in China. *The New York Times* reported that 7,000 Chinese students came to the United States between July, 1989, and January, 1990.⁸ While Beijing put stricter limits on Chinese students going abroad, older Chinese or those assumed to be more likely to return to China after training continued to go abroad.

In sum, Beijing's leaders almost certainly felt beleaguered in the face of international criticism and sanctions, and in response to the rapid changes in East Europe and the Soviet Union. But Chinese leaders were cautious in reply to their international predicament. They avoided unduly harsh responses to foreign criticism and took few tangible steps in reaction to world trends that appeared to jeopardize their basic interests.

U.S. POLICY

Chinese leaders' preoccupation with internal control and adverse international trends passed the initiative in Sino-American relations to the United States after mid-1989. President Bush succeeded initially in preserving a general United States consensus about China policy when he announced on June 5, 1989, the steps the United States would take in response to the Tiananmen incident. The President ordered the suspension of all government-to-government sales and commercial exports of weapons; the suspension of visits between United States and Chinese military leaders; and the sympathetic review of requests by Chinese students in the United States to extend their stay, among other measures.

On June 30, 1989, the President took the additional steps of directing that the United States government suspend participation in all high-level exchanges of government officials with China and directing that American representatives at various international financial institutions seek to postpone consideration of new loans for China.⁹

Reflecting the strong reaction by United States public opinion, media and human rights organizations against China's leaders after Tiananmen, many members of Congress pressed for harsher measures against China. As debate continued into the summer of 1989, however, it became clear that congressional legislation on sanctions against

(Continued on page 271)

⁸*The New York Times*, January 26, 1990.

⁹The administration's actions and congressional responses can be monitored in *Congressional Quarterly Weekly Report*.

Robert G. Sutter is director of the foreign affairs and national defense division of the Congressional Research Service of the Library of Congress. The views expressed here are the author's personal views.

"In 1990, China entered a period of domestic instability and foreign policy uncertainty. . . . Post-Tiananmen China is faced with a continuing crisis of confidence that reflects the fragmentation of the Chinese multinational empire and China's shrinking influence in the global community."

Chinese Foreign Policy After Tiananmen

BY SAMUEL S. KIM

Research Associate, Center of International Studies, Princeton University

IN a decade of reform and opening to the outside world, post-Mao China seemed to be socializing in the global community with a speed and scope that few outside observers would have thought possible in the Maoist era of self-reliant development. In reality, China was deftly exploiting the concept of global interdependence in the service of its plan to modernize. The extent to which post-Mao China has successfully achieved a stable external environment as a sine qua non for modernization can be seen in the progressive and proportionate reduction of its military budget.¹ Not surprisingly, many observers have offered a generally upbeat prognosis about the direction and stability of Chinese foreign policy.² Indeed, the notion that post-Mao China is inexorably moving toward greater economic and political liberalization may be said to have become conventional wisdom in the West, particularly in the United States.³

Of course, the 1989 democracy movement and its bloody suppression muddied the domestic and international waters. After the Tiananmen Square massacre, Chinese foreign policy is once again being challenged — and haunted — by the return of *neihuan* and *waihuan* (internal disorder and external calamity), under whose twin blows most dynasties collapsed. Never before in the history of the People's Republic of China (PRC) (with the exception of the high-tide phase of the Cultural Revolution of 1966–1968) has Beijing so isolated itself from its own people as well as from the peoples of the world.

¹For details on the military, see the article by June Teufel Dreyer in this issue.

²See Steven I. Levine, "Foreign Policy in 1988: Resolving Old Conflicts," in Anthony J. Kane, ed., *China Briefing, 1989* (Boulder, Col.: Westview Press, 1989), pp. 49–66; Samuel S. Kim, *The Third World in Chinese World Policy* (Princeton, N.J.: Center of International Studies, Princeton University, January, 1989); and Allen S. Whiting, "Chinese Foreign Policy Options in the 1990's," in Samuel S. Kim, ed., *China and the World*, 2nd ed. (Boulder, Col.: Westview Press, 1989), pp. 297–312.

³Robert Kleinberg carefully documents and effectively challenges this conventional wisdom in his *China's Foreign Economic Strategy* (Boulder, Col.: Westview Press, 1990).

Never before in its 40-year history has China been subject to greater challenge to its legitimacy. International sanctions of all kinds and from many sources came instantly and in scores in the wake of the Tiananmen massacre.

Before assessing post-Tiananmen developments, it seems appropriate to return briefly to the year before June 4. The Year of the Dragon (February, 1988–February, 1989) was marked by extremes of domestic and foreign policy. The December 18, 1988, party meeting (which was convened as a celebration of the tenth anniversary of the epochal December, 1978, third plenum) demonstrated the lack of a leadership consensus on the scope and direction of domestic reform. Symptoms of the loss of state control and social polarization became increasingly evident and the weakness of state control over information, ideology and empowerment gave rise to an assertive civil society in post-Mao China; these circumstances enabled conservative hardliners to mount a challenge to the reformist leadership of General Secretary Zhao Ziyang. However, de facto leader Deng Xiaoping decided to postpone the fourth plenum (originally scheduled to take place before the March, 1989, meeting of the National People's Congress); thus he postponed what promised to be a stormy leadership showdown until after his diplomatic swan song at the Sino-Soviet summit in May.

In contrast, by the Year of the Dragon China may be said to have succeeded in killing two birds with one stone. By dint of its diplomatic dexterity and nuclear power status, China began to act as if it were already a global power. During the first half of 1989, China placed both superpowers in the role of supplicants paying official state visits to Beijing. The Sino-Soviet summit in May, 1989, ended nearly 30 years of estrangement, largely on China's terms, and without any discernible damage to the Sino-American partnership on a wide range of issues including military and security matters.

Since 1984, Washington has been regularly consulting Beijing on arms control and disarmament

issues, even incorporating Beijing's views in its double-zero negotiating position on the Intermediate-Range Nuclear Forces (INF) Treaty with Moscow, which eliminates intermediate missiles in Europe as well as in Asia. Since March, 1986, Moscow has been following suit by sending its disarmament specialists to seek Beijing's support for its arms control proposals. The Soviet Union's unilateral concession to give up its SS-20 intermediate-range missiles stationed in its Asian territory without linking them to the United States nuclear presence in East Asia—and without demanding a quid pro quo cut in Chinese intermediate missile forces—was largely motivated to satisfy Chinese security concerns.⁴ For the first time in modern history, China was apparently running out of major external enemies in 1982–1988—the most threat-free period in the turbulent history of Chinese geopolitics.

At the same time, China made a virtue of its poor per capita gross national product (GNP) status by becoming the world's top aid recipient. In 1978, China was the only developing country only at the giving end of bilateral and multilateral aid. By the end of 1988, China was the only “great power” that stood first in the receiving line of foreign aid and investment. China was the largest recipient of Japanese aid (in 1988 Japan agreed to provide China with a major development aid package of soft loans worth US\$5.9 billion that, after Tiananmen, was placed on hold); and the largest recipient (30 percent) of the most concessional multilateral interest-free loans from the World Bank's soft-loan window, the International Development Association (IDA). Moreover, China received the lion's share of funds from the Asian Development Bank (ADB) (after Tiananmen, fully negotiated loans to China totaling \$490 million were put on hold). Finally, the amount of pledged direct foreign investment in China for 1988 reached \$5.2 billion.

Notwithstanding the habitual assault on “power politics,” China's sui generis status as a “poor global power” can be better explained as a triumph for its interest-driven realpolitik. After the Sino-Soviet split in the early 1960's, notions of socialist solidarity or proletarian internationalism virtually vanished from Chinese foreign policy. The rise of China's international standing in the world order can be explained by the putative change in China's role from a revolutionary system-transforming actor to a pragmatic system-maintaining status quo actor. A multipolar world is a world of opportunities for a poor global power like China to assert itself forcefully on several chessboards, increasing

trade, peddling arms, attracting foreign aid and investment, exporting cheap labor, even inviting “barbarian experts” to remake China in their own images, all euphemized as “international cooperation.”

Still, there was a sufficient degree of calculated ambiguity in Chinese global strategy to stimulate competitive bidding among China's suitors. China has successfully maintained that its strategic value can never be taken for granted by any external power because it has the ability to play the decisive role of “balancer” in reshaping the central strategic equilibrium of the world. All international actors should remain on China's good side to advance their own long-term interests. China's unabashed embracing of global power politics in the grand Machiavellian tradition captured the imagination of American global geostrategists and engendered special treatment.

In the wake of the Tiananmen massacre, China's international confidence and credibility plummeted. The brutality with which the regime responded has been magnified by several distinctive features of the student-led democracy movement. The movement advanced the identity of peaceful, disciplined and mass-oriented demonstrations, with the hunger strike as a bonding, symbolic catalyst. It was remarkably devoid of xenophobic, self-assertive nationalism, in contrast to the student demonstrations of 1919, 1926, 1935 and 1985 that were all ignited by strong anti-Japanese nationalism. It called for ever-broader popular participation in and identification with dialogue and action toward effecting some democratization, and indeed it succeeded in bringing a little “People Power” to the so-called “People's Republic.” And it was a vivid reminder of how quickly a national-global human rights linkage could be formed by an assertive civil society in post-Mao China that enjoyed access to global primetime while challenging the government's legitimacy.

Instinctively, the Chinese leadership responded with what it thinks it knows best but actually understands and cares about least—Marxism. In theory at least, fundamentalism returned with a vengeance as a quick fix to repair the party's shattered legitimacy. Yet it soon became apparent that the return of Marxist fundamentalism in foreign policy is more smoke than fire; the policy of reform and opening to the capitalist world continues undiminished. Once again cleavages between theory and practice and between principle and policy began to widen.

“PEACEFUL EVOLUTION”

At the June 30, 1989, meeting of the National People's Congress (NPC) Standing Committee, Deng declared that the counterrevolution was

⁴See Vladimir Ivanov, “Soviet Suggestions on Nuclear Negotiations,” *Far Eastern Economic Review*, December 31, 1987, pp. 22–23.

caused by the confluence of macro (external) and micro (internal) factors. However, what followed did not serve to formulate a new theory to guide post-Tiananmen foreign policy, but recalled political fundamentalism; this fundamentalism takes the form of attacks on the so-called “peaceful evolution” (*heping yanbian*) cooptation strategy of the capitalist West in general and capitalist America in particular.⁵

Although there is no agreement among influential Chinese about the origin of the “peaceful evolution” strategy, the essence of this self-defensive argument seems simple enough. The Tiananmen “counterrevolutionary uprising” was engineered by the conspiracy of the internal and external forces joining the hands of reactionary forces everywhere to entangle the Chinese socialist system in the capitalist orbit without firing a single shot. Thanks to the Tiananmen storm, China was reawakened to Mao’s maxim that the imperialists will never “lay down their knives and at once become a Buddha.” With the end of the cold war came a new manifestation of class struggle in international relations in a more potent Manichaeian contest between the two clashing world views. In effect, this marked a return to the two-camp, two-world theory of the 1950’s.

The tactics the West employs in the implementation of the peaceful evolution strategy includes everything short of a direct military invasion. Economic means, like tariff concessions, technology transfer and economic aid are used to coax socialist countries into the capitalist world system or to force socialist countries to make political and ideological concessions. The Western communications media (broadcasts, newspapers, magazines and books) are being manipulated to spread rumors and confuse people, to undermine socialist order, and to peddle bourgeois concepts and values.

“Human rights” and “democratization” serve as another set of ideological weapons with which to interfere in the domestic affairs of socialist countries and to aid and abet dissident groups. The Peace Corps, the Fulbright program and other “nongovernmental” academic and cultural exchange pro-

⁵See “Foreign Minister Qian Assesses World Situation,” *Beijing Review*, September 11–17, 1989, pp. 12–13; Shu Yu, “The West’s Peaceful Evolution Examined,” *Beijing Review*, October 23–29, 1989, pp. 13–14; Wang Lin, “The 1980’s in Retrospect,” *Guoji Wenti Yanjiu* (International Studies), no. 4 (1989), pp. 1–5.

⁶See *Renmin Ribao* (overseas ed.), editorial, “There Will Be No Change in the General Principle of Reform and Opening Up,” September 22, 1989, p. 1.

⁷Yao Bolin, “We Must Resolutely and Tirelessly Fight to Oppose ‘Peaceful Evolution,’” *Nanfang Ribao*, January 10, 1990, in Foreign Broadcast Information Service, *China Daily Report* (hereafter, FBIS), January 21, 1990, p. 2.

⁸“Qian Qichen on the World Situation,” *Beijing Review*, January 15–21, 1990, p. 16.

grams also function as carriers of the Western ideology for the ideological and cultural infiltration of socialist countries. And covert operations in many disguises and channels continue undiminished.

The revival of fundamentalism calls for a drastic restructuring of Chinese foreign policy, turning the clock back to the golden era of self-reliance. Yet from the first day of the post-Tiananmen period, even the most hardline fundamentalists have persisted in proclaiming that the reform and open door policies are irreversible. In a quintessentially Chinese way, Deng’s Four Cardinal Principles (FCP’s)—continuing on the socialist road; upholding the dictatorship of the proletariat; upholding the leadership of the Communist party; and upholding Marxism–Leninism and Mao Zedong Thought—and the reform and the open door policies have become two methods of carrying out the same post-Tiananmen foreign policy. The FCP’s and reform and opening up are said to be mutually interdependent in the practice of building socialism with Chinese characteristics.⁶

What is to be done? China will never renounce Marxism, abandon socialism or abolish the Communist party, much less practice capitalism in return for Western alms. Instead, China will always guard against “attacks by material and spiritual wolves in sheep’s clothing, severely punish those who have been lost to ‘peaceful evolution’ in order to preserve the purity of our ranks.”⁷ At the same time, closing China’s door once again to the outside world and to “international cooperation” is no longer feasible. Only with reform and opening to the outside can China’s self-reliance be strengthened, its socialist system perfected and its march to great-power status accelerated.

In line with this kind of “dialectical” reasoning, post-Tiananmen foreign policies (in contrast to domestic policies) roller-skated over the logic of Marxist fundamentalism. Notwithstanding Foreign Minister Qian Qichen’s pronouncement that China’s “foreign policy is the extension of [its] domestic policies,”⁸ China’s foreign policy has become anything but an externalization of its domestic policy of repression and terror. Post-Tiananmen China has adopted a “Jekyll and Hyde” damage-limitation strategy in foreign policy. The irony is that Beijing is forced to turn the peaceful evolution strategy on its head, exploiting both sides of the Western game plan to regain the advantage.

THE CHINA CARD

A classified internal policy analysis prepared for the Chinese leadership has revived the allure of the China card with a new geopolitical twist—that an isolated China is a dangerous China for Western interests in general and American interests in par-

ticular. The United States has little leverage over China because of its fear of driving China into the Soviet orbit and "because the United States is anxious to retain cooperation on electronic monitoring stations that are of great value for military intelligence."⁹ The leadership has apparently accepted this line of reasoning; Foreign Minister Qian publicly touted "China's strategic position and great potential" as the global reality that the Western countries can ignore only at their peril.¹⁰

At the same time, the leadership has also realized that the China card is insufficient in a rapidly changing world. Thus they release some political prisoners, resume the Fulbright program and accept American Peace Corps volunteers to influence United States policymakers. The government even announced in May, 1990, that it would invite 12,000 foreign experts in the next two years to promote professional exchanges in economics, technology, culture and education.¹¹

In addition, Chinese leaders took several "confidence-building" measures in the first half of 1990. The Special Economic Zones (SEZ) have received ringing public endorsement as controlled conduits. More tellingly, Zhao Ziyang's Coastal Development Strategy (a mixture of international, national, and regional linkages between coastal China and the Pacific Basin, on the one hand, and between coastal China and interior China, on the other) received Prime Minister Li Peng's public support in February, 1990.¹² Even the 1979 Sino-Foreign Joint Ventures Law was subjected to amendments that were designed to attract more foreign investment.

The tensions between principle and policy are most evident in China's approach to the World Bank. The World Bank's sanctions in the wake of the Tiananmen carnage caused special ideological and economic angst. As an anti-socialist institution, the Bank is indeed a textbook case that validates the peaceful evolution strategy. Yet by 1989 the Bank had made loans of about \$8.6 billion to 78 capital and development projects in energy, transportation, education and rural development in China, with an upward trend in recent years: World Bank loans to China increased from \$1.1 billion in fiscal 1987 to \$1.7 billion in fiscal 1988, to \$2.2 billion in

*Editor's note: Fang was in refuge at the U.S. embassy in Beijing until June 25, 1990, when the Chinese government released him. See Four Months in Review in this issue.

⁹See *The New York Times*, October 5, 1989, p. A19.

¹⁰Qian Qichen on the World Situation," p. 17.

¹¹Xinhua, May 16, 1990, in FBIS, May 18, 1990, p. 1.

¹²*China Daily* (Beijing), February 10, 1990, p. 1.

¹³The 1990 figure is a projected estimate in *The Economist*, March 24, 1990, p. 35.

¹⁴*China Daily*, December 16, 1989, p. 2.

¹⁵*The New York Times*, March 4, 1990, p. 8; April 4, 1990, p. A12.

fiscal 1989, and to \$2.5 billion or more (projected) in fiscal 1990. Instead, the actual figure for fiscal 1990 (which ended in June, 1990) was less than \$500 million. In short, the World Bank has become China's largest provider of international largesse and China's largest creditor.

Beyond this, the World Bank exercises the power of collective legitimation and delegitimation in the global financial community. The United States still possesses influence disproportionate to its 20 percent voting power. If the United States cannot make things happen, it retains the negative power to prevent certain things from happening. American sanctions against any state almost automatically translate into World Bank sanctions (e.g., Vietnam). The case of China after the Tiananmen massacre is no exception.

The suspension of normal lending by the World Bank, the ADB and Japan could not have come at a worse time. Even before June, 1989, China was not really looking forward to the debt peak of 1992-1995, when many of its medium- to long-term loans and bonds mature. China's foreign debts increased from zero in 1979 to \$16 billion in 1985 to \$40 billion in 1988 to more than \$50 billion in 1990.¹³ By its own estimates, "China will have to spend about \$10 billion a year for five years or more to pay back foreign debt principal and interest, starting in 1992."¹⁴ After the Tiananmen incident, China's international credit rating joined its international reputation in a downward slide.

Against this backdrop, China has taken a desultory damage-control approach. Fang Lizhi, China's most prominent dissident, became China's carrot to pressure the United States to remove international sanctions. One of China's "original" conditions for releasing Fang was the resumption of some World Bank loans.* When this condition was met, China demanded that the United States resume exports of military goods and high-technology products as well.¹⁵ By making the resumption of World Bank lending a central and still unresolved issue in Sino-American relations, however, Beijing has acknowledged that Washington is the linchpin in the capitalist world system.

Another tactic was to play up the notion that what is good for China is also good for the World Bank and the third world. In a meeting in April, 1990, with Moeen A. Qureshi, senior vice president of the World Bank, Li Peng flatly declared that "the

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posed retirement. Their statements can be read as a vote of no confidence in the younger generation. This suggests that the old guard will continue to reshuffle the nominal leadership until they die, making promises of stability and unity in the elite empty rhetoric.

The younger leaders, especially Jiang Zemin, face even more problems than lack of trust. They must retain the support of the older generation (and individually, each younger leader hopes that his particular patron among the 80-year-olds will be the last to die); expand their own bases of power to prepare for the coming succession crisis after Deng, Chen and Yang have passed away; and deal with the economic, political and social problems facing China today.

Jiang Zemin's situation is particularly tenuous. Unlike his most likely rivals, Li Peng and military leader Yang Baibing (President Yang Shangkun's younger half-brother), Jiang's rise to power has not been carefully cultivated by a senior patriarch. While Deng nominated Jiang for the position of General Secretary, Jiang had not been associated with Deng before 1989. Li Peng is apparently supported by Chen Yun and several other elderly leaders, and Yang Baibing has the support of his brother. Unlike Li Peng and Yang Baibing, Jiang spent a relatively brief period working in Beijing, and thus may lack many of the bureaucratic connections necessary to wield power effectively in the capital. (At the same time, Jiang's lack of a power base suggests that he might be able to garner the support of reformist officials in the provinces, especially the coastal provinces.)²

At present, there appear to be differences among the top leaders, with Jiang Zemin and Li Ruihuan representing one group, and Li Peng and Yang Baibing the other.³ Jiang and Li Ruihuan seem somewhat more committed to the open door policy and are hostile to the ongoing ideological campaign to learn from the insipid example of Lei Feng, a Maoist model of the early 1960's who, not coincidentally, was in the PLA. Perhaps they are also more willing to revive some of the economic reforms and devolve more authority to the provinces. They are joined by the mayors of Shanghai and Guangdong, Zhu Rongji and Ye Xuanping, who are seen as the two most reformist leaders in China today. Li Peng

and Yang Baibing favor centralized control of the economy, with large and medium-sized enterprises receiving special support, greater resources and an expanded role for the PLA.

The outcome of these differences of opinion and the ultimate struggle for power among these leaders is impossible to determine. The order and timing of the deaths of the senior patriarchs is a critical variable. Each contender has certain strengths and weaknesses to bring to the conflict. Jiang has institutional advantages that Deng's previous heirs-apparent (Hu Yaobang and Zhao Ziyang) lacked. Deng made Jiang chairman of the party and state military commissions (China's formal military commander in chief). Yet Jiang lacks military training, and both Yangs are working hard to build up their power base in the PLA. Aside from his formal positions, Jiang has few other advantages. He was not personally involved in the bloodshed in Beijing, and other Chinese leaders know that the failure of yet another erstwhile successor to become the successor will destroy the credibility of any succession arrangement and will further erode China's already diminished image in international affairs.

Li Ruihuan, the only top leader in his fifties, is the only contender who has popular support. Li is a populist; his stewardship over Tianjin gained him relatively high marks. Like Jiang, he handled the democracy demonstrations in his locality without bloodshed (reportedly by urging Tianjin students to go to Beijing and protest there). But also like Jiang, Li lacks experience and a base of power in Beijing. It also remains to be seen how stable a Jiang Zemin-Li Ruihuan alliance is, though it is likely to be more stable than a Li Peng-Yang Baibing alliance.

Li Peng has the advantage of strong support from some of the party elders and relatively extensive experience in the central bureaucracy. This is offset by widespread antipathy toward him on the part of the urban population because of his role in the suppression of the democracy movement; Li Peng was the leader who announced the imposition of martial law.

Yang Baibing's advantages are his brother's backing and his long career in the military. But the expansion of the military's position in the state structure is of concern to many party leaders; the apparent efforts to build up a Yang faction in the military increases hostility to Yang. In addition, Yang has no experience in economic affairs, and his ideas on ideology and leadership are simplistic. Moreover, it appears that both Li Peng and Yang desire supreme power; they are apparently cooperating out of convenience rather than conviction. Other than the fact that elite power struggles will continue in China, few conclusions can be drawn about the state of the elite's power politics.

²For short official biographies of the members of the Politburo Standing Committee, see FBIS, June 26, 1989, p. 24 and pp. 27-29.

³For some of the latest China-watching views of the power struggle at the time of this writing, see Robert Delfs, "Hardliner Hits Back," *Far Eastern Economic Review* (hereafter, *FEER*), May 10, 1990, pp. 8-9; "Reformist Countercurrents," *FEER*, May 17, 1990, pp. 8-9; "Merit of Lei Feng Campaign Focus of Struggle," FBIS, May 10, 1990, p. 21; and "Qiao Shi Losing Influence," FBIS, May 1, 1990, pp. 16-17.

"China's short- and medium-term prospects are poor. The leadership appears locked in a power struggle; policy is drifting pending the death of the octogenarians and the resolution of the infighting among the younger leaders."

Retrogression in Chinese Politics

BY DAVID BACHMAN

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SINCE the Beijing massacre of June 3-4, 1989, when hardline elements of the Chinese Communist party (CCP) leadership and the Chinese People's Liberation Army (PLA) brutally crushed the democracy movement, Chinese politics has resembled a shadow play. The image projected on the screen is not what is going behind the scenes. The leadership maintains that the country is united and stable, that there are no conflicts in the leadership. The government-controlled media reports nothing that belies this view. But foreigners in China, correspondents in Hong Kong and other sources report sharpened struggles for power among the elite and a seething urban population that despises the CCP but is cowed by the overwhelming show of force the government maintains in most urban areas, especially in Beijing.

Such a schizophrenic quality in Chinese politics makes conclusive analysis of political trends and developments extremely difficult, and predictions of long-term developments even more so.

The suppression of the democracy movement intensified elite power struggles. The most outspoken proponents of radical reform in China either died or lost their positions in 1989, with the death of Hu Yaobang, former General Secretary of the CCP, in April (the event that triggered the democracy movement) and the formal removal from office of General Secretary Zhao Ziyang and some of his closest supporters in June, 1989. Zhao's removal triggered yet another round of political infighting over the naming of a successor to Deng Xiaoping (China's de facto leader and its most powerful political figure). The stalemate in the leadership in May, 1989, about dealing with the democracy movement also led the old revolutionary generation of Chinese leaders to step in and set policy, reversing sporadic attempts over the last decade to replace senior figures in the party with younger, more vigorous and better educated successors. This stalemate also

¹See "Text of Deng Xiaoping Speech Delivered 9 June," Foreign Broadcast Information Service, *China Daily Report* (hereafter, FBIS), June 27, 1989, pp. 8-10; and "Speech of Yang Shangkun at the Military Affairs Commission Meeting," *Chinese Law and Government*, vol. 23, no. 1 (Spring, 1990), pp. 78-87, for example.

created political conflicts because the party's remaining founding fathers were less than satisfied by the performance of the younger generation. They were not sure how their successors would handle crises when the old-timers were no longer there to watch over them.

Deng Xiaoping moved to shore up the succession by naming the relatively unheralded Jiang Zemin (the mayor of Shanghai) to replace Zhao Ziyang as General Secretary, nominally the highest-ranking position in China (although the power of several 80-year-olds with either no formal position or a lower-ranking position clearly exceeds Jiang's). Song Ping, the head of the party's organization department, and Li Ruihuan, mayor of Tianjin (China's third largest city), joined Jiang and Prime Minister Li Peng, chairman of the State Planning Commission Yao Yilin, and security and law chief Qiao Shi on the Politburo Standing Committee. The purge of Zhao's supporters in the leadership was not extensive, and only one provincial leader closely associated with Zhao has been removed from office (along with a relatively small number of high-ranking central leaders). Rumors continue to circulate, however, that more of Zhao's supporters in the provinces will be removed.

While a new "leading core" of the party has been established, the octogenarians retain final decision-making power in China. Arguably, the three most powerful people in China today are Deng Xiaoping (who turned 86 this past summer); Chen Yun, the most influential economic policymaker in the history of the People's Republic, who is 85; and the 83-year-old President Yang Shangkun. They are joined by about half a dozen other elderly leaders. Deng and Chen are thought to be in poor health, and Yang will apparently become the senior patriarch overseeing the actions of younger leaders in the next year or so. Many of the other senior leaders are frail and will soon leave the stage.

Some of these aging leaders have noted that it was fortunate that the democracy movement broke out while they were still alive, because they had the resolution to suppress it.¹ They made no bones about the critical role they played despite their sup-

MAJOR POLICY TRENDS

Four major policy trends have been apparent since the massacre in June, 1989: repression; reassertion of the leading role of the party and socialist ideology; economic contraction; and, in the last several months, a return to a somewhat more pragmatic approach to development.

In the aftermath of the suppression, the leaders and many ordinary participants in the democracy movement were subjected to various degrees of repression. In addition to the 1,300 estimated dead and perhaps 10,000 injured in the suppression of the democracy movement itself, in June, 1989, a number of workers were subsequently executed for their role in the protests.⁴ Between 10,000 and 130,000 people were reportedly detained by various organs of state control in the immediate aftermath of the crackdown. All party members and most college students had to account for their activities during the period of the democracy movement, with the threat of punishment ever present.

Intellectual diversity and the trend toward growing intellectual freedom in the late 1980's were squelched. The most radical reformers in the political system either lost their positions or fled the country. Punitive measures were directed at college students in particular—they could not apply to study abroad without first working in China; members of the entering freshman class for major Beijing universities were required to spend a year in the military before their education began so that they could be subjected to appropriate indoctrination, and so on.

Despite widespread violations of human rights, what is perhaps most remarkable about the repression is how inept and counterproductive it has been. First, many of the students and intellectuals on the party's most-wanted list managed to escape. One student leader, Chai Ling, and her husband managed to hide out in China for ten months before fleeing to Hong Kong. This suggests either that they

had tacit protection from some party leaders (and others) or that China's security police are not very effective.⁵ Second, apparently as a result of international pressure and fear of the loss of most-favored-nation status for Chinese exports to the United States, many of the most prominent figures in the democracy movement have already been released, although the Chinese government continues to refuse to make public a full accounting of all those arrested and detained since June, 1989.⁶ Their release means either that the government realizes the flimsy nature of its own interpretation of the democracy movement (terming it a "counterrevolutionary rebellion"), or sees the desperate state of the Chinese economy. The people released from prison have certainly not changed their views about the party, and they can play a core role in future demonstrations, although they remain under police surveillance.

In recent months, crude repression has diminished. However, the reassertion of party primacy and socialist ideology, which were apparent from the earliest post-massacre days, has not let up. The party asserts that only socialism can save China; that only party leadership guarantees a prosperous future; and that democracy and capitalism would bring disaster. However, these views are hardly argued at a sophisticated and convincing level. The meaning of socialism is extremely vague—essentially, it means leadership by the party and state ownership of large-scale industry. The leaders and the media repeat these assertions as a mantra, apparently believing that with enough repetition, people will come to believe them.⁷

The policy of the "big lie" has been undermined by several factors. First, alternative sources of information continue to be heard. American and British radio broadcasts are not jammed effectively, if at all. Guangdong residents continue to receive Hong Kong television and radio broadcasts. Correspondence with overseas Chinese also flows relatively unimpeded. But perhaps most destructive for the already shattered credibility of the regime are its economic actions. The government's ineptitude in handling economic problems hardly strengthens its claim to the right to rule China.⁸

The government has succeeded in averting hyperinflation and has brought inflation under control. But it succeeded with a series of policies that have driven the Chinese economy into recession. Millions have lost their jobs; workers have seen their paychecks shrink as involuntary deductions are made from their salaries to buy government bonds; bank lending was nearly frozen.⁸ At the same time, Chinese banks established savings accounts that promised to pay at least the same rate of interest as inflation. This has caused savings to in-

*For details on the economic situation, see the article by Chu-yuan Cheng in this issue.

⁴Perhaps the best assessment of the June 3–4, 1989, massacre is Amnesty International, "Preliminary Findings on Killings of Unarmed Civilians, Arbitrary Arrests and Summary Executions since 3 June 1989," *Amnesty International Index*, ASA 17/60/89, August 30, 1989. On human rights in China under martial law, see Asia Watch, *Punishment Season: Human Rights in China after Martial Law* (New York: Asia Watch, 1990).

⁵See "Repercussions of Escape," FBIS, May 1, 1990, pp. 14–16.

⁶Reportage of Release of 221 Student Dissidents," FBIS, May 10, 1990, p. 16.

⁷For some representative examples of this kind of propaganda, see "Article Views Principle of Positive Propagation," FBIS, February 7, 1990, p. 13, and "Article Views Bourgeois Liberalization Opposition," FBIS, February 12, 1990, pp. 11–14.

⁸Based on a conversation with a well-informed source.

crease to more than Y500 billion, or more than one-third the gross national product (GNP), posing the threat of yet another inflationary crisis when consumers resume spending. All these measures undermine the government's hopes for social and economic stability.

Finally, in recent months the leadership has returned to a more pragmatic set of policies. Reform has not been revived, but the leadership has moved away from most extreme positions with regard to ideology and the economy. Bank lending has expanded in an effort to restart the economy. Private, township and rural enterprises, the targets of political attack in 1989, are now being modestly encouraged because they are more flexible in dealing with unemployment and continue to grow more rapidly than state-owned enterprises.⁹ Li Ruihuan and Jiang Zemin have argued that intellectuals still have a vital role to play in China's modernization, and that they should put forward critical (but constructive) remarks.¹⁰ These modifications of the extremely hard line taken by the party since June, 1989, do not indicate major policy changes. But they suggest that the leadership is at least coming to understand the nature of the problems, even if they make only feeble efforts to deal with them.

STATE-SOCIETY RELATIONS

To the extent that it can be assessed, the mood of the Chinese people, especially the urban populace, is hostile to the current government. But this hostility is not likely to find expression in mass demonstrations like those in the spring of 1989. The state has

⁹See, for example, "Rural Enterprises and the Private Economy," *China News Analysis*, no. 1405 (March 1, 1990); "Li Peng Presents Work Report," FBIS, March 21, 1990, pp. 13-33, especially p. 20; and "Further of Li Peng State Council Remarks 27 Dec.," FBIS, December 29, 1989, p. 24.

¹⁰Li Ruihuan Meets *Renmin Ribao* Reporters," FBIS, April 30, 1990, pp. 31-33, and "Jiang Zemin Conciliatory Toward Intellectuals," May 7, 1990, p. 23.

¹¹These feelings are well captured in Sheryl WuDunn, "Year Later, Chinese Father Grieves and Fears," *The New York Times*, June 4, 1990, pp. A-1, A-6.

¹²For a recent report about continuing student activism, see Nicholas D. Kristof, "Hundreds March in a Protest at Beijing University," *The New York Times*, June 4, 1990, p. A-7. On the general mood of students, see Robert Delfs, "Paying the Piper," *FEER*, May 3, 1990, p. 22.

¹³Cases of Industrial Unrest in 1989 Viewed," FBIS, March 9, 1990, pp. 26-27.

¹⁴Assemblies, Demonstrations Law Cited," FBIS, November 1, 1989, pp. 16-19.

¹⁵Wage Rises, Travel Bans To Be Instituted Soon," FBIS, April 25, 1990, pp. 22-23, and information from a reliable informant.

¹⁶See Andrew G. Walder, "The Political Sociology of the Beijing Upeaval of 1989," *Problems of Communism*, vol. 38, no. 5 (September-October, 1989), pp. 30-40.

¹⁷Report Views Underground Democratic Party," FBIS, February 9, 1990, p. 10.

mobilized an overwhelming show of force. The people are profoundly cynical about all government actions and intentions, but they realize that after huge, widespread demonstrations brought no positive changes, they can only hope for a change of government from within; they have little ability to change the situation through direct action.¹¹

Intellectuals and students seem less reconciled to passivity. Because of the death or arrest of their friends and classmates, their anger burns the hottest; students remain less cowed by the regime than other members of the population.¹² But perhaps more significantly, the Chinese working class appears restive. Reports of widespread worker unrest have appeared in the Hong Kong press; as workers protest layoffs and the compulsory deduction from their salaries for the purchase of state bonds.¹³

Strikes and demonstrations have occurred despite the approval of a law that makes legal demonstrations all but impossible. The law stipulates that the name of everyone participating in the demonstration must be reported; no one whose name is not listed in the application may participate. Organizers must file a formal application to demonstrate several days before the demonstration and local authorities have the right to approve all applications. Demonstrations cannot interfere with production or transportation; the route a demonstration follows must be specified; and the organizers of a demonstration bear full responsibility for any violations of the law.¹⁴ Industrial unrest has apparently scared the government into granting workers a wage increase; all workers in state-owned enterprises will be advanced one rank in pay and one-third of the workers will advance two ranks.¹⁵ This only heightens economic problems.

However, unlike the situation in Poland, where workers and intellectuals joined together after the suppression of the workers' movement in 1970, there is no sign of a growing worker-intellectual alliance.¹⁶ A shadowy underground movement may exist,¹⁷ which helps to explain how a number of leaders of the democracy movement escaped from China, but the state seems to have been able to isolate pockets of active opposition. In the short term, there are apparently no prospects for the recurrence of mass demonstrations that aim to change government policy. But the pervasive cynicism and hostility

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"Clearly, instead of carrying the reform process forward, the new leadership in Beijing is trying to turn the clock back. If the nation's contradictory economic program is not untangled and incentives and productivity are not revived, stagnation, inflation and shortages will increase. Rising popular discontent may precipitate the downfall of the hardline government."

China's Economy in Retrenchment

BY CHU-YUAN CHENG

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AFTER the September, 1988, third plenary session of the thirteenth Central Committee of the Chinese Communist party (CCP), China's economy entered a period of retrenchment. The overheated economy had substantially cooled and the rampant inflation had shown signs of subsiding after a year and a half of government austerity, but industrial output had also declined sharply. Economic maladies were exacerbated by the June 4, 1989, Tiananmen Square massacre. The subsequent suspension of foreign loans and direct investment and the loss of tourist revenue weakened the already debilitated economy. As the unemployment rate rose and social tension mounted, government officials in Beijing were under tremendous pressure to end the retrenchment plan and revive the economy.

China's economy was in chaos even before the pro-democracy movement. The economic decline was a direct cause of the 1989 unrest. Between 1984 and 1988, when China's national income rose by 70 percent, total capital investment in fixed assets increased by 214 percent and the cash income of urban and rural residents rose by 200 percent.¹ To close the gap between aggregate demand and supply, the state increased its budget deficit and the money supply, restarting the inflationary spiral. Inflation rates continued to rise in late 1988 and accelerated in the first half of 1989. The annual inflation rate for 1988 was officially reported at 18.5 percent. For food prices, the rate exceeded 50 percent. Panic buying erupted in the spring and summer of 1988. In September, 1988, the government adopted a retrenchment program that would reduce investment and the money supply in order to contain the inflation rate below 10 percent in 1989. However, in the first half of 1989, the rate soared an additional 25.5 percent over the preceding period.

¹*Beijing Review*, vol. 33, no. 5 (January 29-February 11, 1990), p. 4.

²State Statistical Bureau, "Communiqué on 1988 Economic Development," *People's Daily*, March 1, 1989, p. 3.

³Wu Hanzhi, "An Analysis of the Cause of Inflation and Its Control," *Jingji yu Guanli Yanjiu* (Study on Economics and Management), (Beijing), no. 2 (February 1, 1989), pp. 1-4.

In the major cities, the inflation rate exceeded 40 percent. Urban residents on a fixed income suffered most from inflation. In 1988, 34 percent of the urban dwellers found their real income dwindling.²

RISING COST OF FOOD

One pivotal barometer was the rising share of consumer expenditure on food in recent years. In most advanced countries, food accounts for about 25 percent of consumer spending. In 1978, before the economic reform, expenditure on food in China amounted to 60 percent of workers' total expenditure. Between 1979 and 1985, as incomes rose while food prices remained stable, the share of income spent on food declined steadily to only 42 percent. After 1985, food prices climbed rapidly and real income fell. By 1987, the share of income spent on food had risen to 55 percent, and by 1988 to 60 percent, indicating that the benefits of the reform in the earlier years had been completely negated. The return to the pre-reform level of income that was spent on food frustrated most urban dwellers.³

Moreover, since 1984, there have been two sets of prices for most industrial raw materials and final products: an official price and a negotiated price, the former arbitrarily decided by the central authority, and the latter reflecting market supply and demand. There can be as much as a tenfold difference between these two sets of prices (as in the case of coal). People who have special connections can buy raw materials or products in short supply at official prices and resell them at negotiated prices, thus reaping enormous profits.

Many party, government and military institutions, and officers and their family members formed speculative companies and engaged in illegal activities. Official statistics show that by the end of 1988 more than 60,000 speculative companies had been established by party and government organizations at the central and local levels. They employed a total of 47,956 party and government officials above the county level full- or part-time. Most of these companies resell key materials and

popular consumer durables at a large profit.⁴ The prevalence of *guandao* (official profiteering) significantly raised the price of industrial raw materials and thereby injected an element of "cost push" into the rampant inflation that underlined popular resentment.

The root of these social and economic problems lies in the one-party authoritarian system. Popular demands to curb the special class privileges were so strong that when the students in the Beijing area raised banners proclaiming "down with corruption" and "down with *guandao*" and called for freedom and democracy, they won the support of the urban residents.

IMPACT OF THE BLOODSHED

When the hardline leaders ordered the People's Liberation Army (PLA) to suppress the unarmed protesters in Tiananmen Square, civilized countries reacted strongly. The initial reactions to the military crackdown affected the Chinese economy in four major areas: the suspension of foreign loans; the cancellation of foreign direct investment; the loss of tourist revenue; and a sharp rise in the budget deficit.

The first major consequence was worldwide economic sanctions. Angered by the violence, Western governments and aid agencies delayed or restricted new loans to China. On June 27, 1989, the World Bank, China's major source of interest-free and low-interest loans since 1980, announced the suspension of \$780 million in new loans to China. During the previous nine years, the World Bank had provided loans totaling \$8.5 billion, of which \$3.44-billion worth were interest-free. One-third of these loans were used for agricultural and industrial development. The Japanese government decided in mid-June to postpone a seven-year, \$5.8-billion new loan to China. Starved for technical know-how and basic infrastructure, China suffered a severe blow from the suspension of foreign loans.

Direct investment was also suspended or canceled. Before the Tiananmen massacre, foreign investment was enjoying a two-and-a-half-year boom. From January, 1987, through June, 1989, the number of signed contracts rose 400 percent and the value of the contracts grew by 67 percent over the totals accumulated from 1979 to 1986. The military crackdown altered foreign investors' plans. They saw the hardliners' dominance as a sign that China would revert to the old system. Foreign con-

fidence in China's commitment to economic restructuring was rapidly eroded.

Although most investors decided to stay in China, few of them committed new funds. As a result, many new investment plans were either delayed or abandoned. For example, Peugeot SA and Pepsi Cola, Inc., both postponed the expansion of their joint-venture factories in southern China. According to one Western trade official, five Fortune 500 companies planned to invest a total of \$650 million in China, but because of the worsening economic and political outlook, only one of the five still plans to proceed. One Japanese trade official estimates that Japanese companies will invest less than half the \$200 million committed in 1988.

The impact on China's burgeoning tourist industry has been devastating. Before the massacre, China earned about \$2.2 billion a year from tourism. As one million Taiwanese and several million Hong Kong and overseas Chinese visited their hometowns in recent years, tourism had become a crucial source of foreign exchange. The bloodshed in Tiananmen Square took a toll on travel-related business. Between July 1 and December 31, 1989, China had been expecting over one million overseas tourists, but the violence frightened away foreign visitors. Figures released by the Chinese National Tourism Administration in early September, 1989, reported an 81 percent decline in visitors.⁵ It was officially reported that the revenue from tourism in 1989 was \$1.8 billion, or \$400 million less than the 1988 total and \$1.2 billion below the original target for 1989.

The massacre also resulted in increased government expenditures and a larger budget deficit. Because the government must rely on the army's support, military expenditures began to rise. Since 1979, under an army reduction plan, the growth rate of the defense budget for each year was below that of total government expenditure for the same year. Consequently, the share of the defense budget in total government spending declined sharply from 26.1 percent in 1968 to 17.5 percent in 1979, to only 8.6 percent in 1986. The yearly drops had angered military leaders. After the Tiananmen tragedy, the army resumed its critical role and began to demand a larger share of the defense budget. In 1989, the defense share rose to 13.9 percent of total expenditure, up 11.2 percent from 1988. The defense budget increased an additional 15 percent in 1990, reversing the decade-long decline.⁶ This will undoubtedly widen the budget deficit.

Moreover, because inflation was not controlled as effectively as had been promised, the government had to raise food subsidies, which run at Y40 billion a year and constitute the largest burden on the government budget. For two consecutive years,

⁴Liu Jianjun, "China Cleans Up Companies to Stop Official Profiteering," *Beijing Review*, vol. 32, no. 46 (November 13-19, 1989), pp. 18-23.

⁵Anne T. Thurston, "Back to Square One?" *China Business Review*, September-October, 1989, pp. 36-41.

⁶*China Times* (Taipei), January 24, 1990, p. 9.

urban residents had been suffering a decline in living standards, causing disgruntled workers around the country to seek permits to demonstrate against worsening living conditions. Small-scale marches took place in Chengdu, Wuhan and several other industrial centers. In December, 1989, state enterprises were directed by the government to pay workers (including those laid off during the austerity drive) their whole salaries.⁷ These extra expenditures were bound to increase the budget deficit.

INDUSTRIAL OUTPUT AND EMPLOYMENT

Galloping inflation and the spring unrest threw the economy into chaos. In an effort to bring down inflation, the Central Bank pursued an extremely tight money policy. During the first six months of 1989, the bank recovered a net total of Y5.3 billion compared with the net total of Y8.87 billion over-issued during the same period in 1988. Loans guaranteed by all the nation's banks showed a sharp drop of Y34 billion from the 1988 total. Interest rates continued to rise, consumer spending subsided and bank savings by both rural and urban residents rose by Y22.4 billion in the same period.⁸ The combination of all these factors created a credit crunch in state-owned enterprises. A shortage of cash and bank credit resulted in bad debts totaling Y100 billion in September, 1989. This effectively destroyed business confidence and obligated firms to operate on a cash basis. A tight money supply and serious inventory overstock generated a market slump in the second half of 1989.

At the same time, a shortage of raw materials, electricity and working capital forced many industrial enterprises to cut production. In 1988, China's industrial output rose 17.7 percent and gross national product (GNP) rose 9.6 percent, a sign of overheating. In the first nine months of 1989, industrial output rose by only 8.9 percent over the same period in 1988. Output fell sharply in October when it suffered negative growth of 2.1 percent, the first decline in a decade. Alarmed by the rapid deterioration of growth in industrial output, the government decided to pump Y100 billion of new credit into the industrial system. But most of the funds were used by state enterprises to pay their assigned taxes, relieving the credit crunch very little and exacerbating the liquidity crisis.⁹

Although the slump affected all economic sectors, three major industries bore most of the burden. The machine-building industry, the mainstay of modern Chinese industry, suffered the deepest recession since 1981. The production of household electrical appliances, the rising star in the post-reform period, was hit hard by the retrenchment. The output of color television sets in 1989 dropped 9.6 percent, the output of cameras fell 26.3 percent, the output of videocassette recorders declined 11.6 percent, the output of washing machines fell 21.1 percent and the output of refrigerators dropped 12.6 percent. A decline in capital investment also affected the capital goods industries. The output of the machine tool industry declined 13.8 percent. The production of motor vehicles fell 11 percent, the production of tractors dropped 8.3 percent, the production of railway locomotives declined 19.5 percent and civilian ship-building dropped by 23 percent.¹⁰ More than one-third of machine-building capacity was idled and millions of workers and employees lost their jobs.

Textile production, another mainstay of Chinese industry, also fell into recession. Backward technology, outdated equipment and a shortage of cotton resulted in idle capacity of 20 percent. Both the output of cloth and woolen prices suffered a decline in 1989.

The construction materials industry also operated well below capacity. The output of cement and lumber registered a decline in 1989. As these backbone industries fell, the whole of industry went down with them. In January, 1990, industrial output fell 6.1 percent from 1989, the worst monthly decline in the 11 years since de facto leader Deng Xiaoping introduced the economic reform. The decline continued in February, 1990, and only slowly recovered in March and April when the government pumped Y25 billion (\$5.3 billion) in new loans into the industrial system.¹¹ Although the goal of industrial growth for 1990 was set at only 6 percent, the outlook for the year remains very dim. In the first quarter of 1990, only 17 of China's 30 provinces, autonomous regions and special municipalities fulfilled their production quotas. In April, Shanghai — the country's most important industrial center — still showed a negative growth of 0.9 percent.¹² Overall industrial output for the first five months of 1990 increased only 1.4 percent over the same period in 1989.

The retrenchment idled millions of workers and sent several million construction laborers back to the villages. This created a serious social problem. Official statistics revealed that the total number of workers employed in the first quarter of 1990 fell by 1.65 million compared with December, 1989. The pool of available labor continued to increase with-

⁷*Far Eastern Economic Review* (Hong Kong), January 25, 1990, p. 46.

⁸*Beijing Review*, vol. 32, no. 44 (October 30–November 11, 1989), pp. 21–23.

⁹*Far Eastern Economic Review*, April 5, 1990, p. 38.

¹⁰State Statistical Bureau, "Communiqué on 1989 Economic Development," *People's Daily*, February 22, 1990, p. 3.

¹¹*World Journal* (New York), May 22, 1990, p. 32.

¹²*International Daily News* (Los Angeles), May 19, 1990, p. 10.

out a corresponding increase in jobs, so unemployment rose sharply. By the end of March, the number of unemployed workers increased by 4 million compared with December, 1989. In May, 1990, the total unemployed labor force exceeded 11 million, compared with 5 million in May, 1989.¹³ The unemployed traveled from one city to another seeking jobs, creating a "floating population" of more than 50 million people who possessed neither job nor home. They slept mostly in railway stations, parks and urban slums, causing problems for public traffic and social order. The economic woe of inflation has now shifted to unemployment.

ECONOMIC REFORM

Under the retrenchment plan, the decade of economic reform was ended. Although the leaders repeatedly stressed that there would be no change in the reform policies, many reform programs were either halted or headed for dismantlement. In the second half of 1989 and in early 1990, major changes could be discerned in four areas:

- **Price reform.** In the October, 1984, Decisions on Economic Reform, reform of the irrational price system was touted as the key to the transformation of China's economic institutions. In May, 1988, with Deng's endorsement, General Secretary Zhao Ziyang proposed decontrolling prices. The populace responded with panic buying, which forced the government to rescind the policy. Since then, economic decision-making power has fallen into the hands of two conservative leaders: Prime Minister Li Peng and Yao Yilin, who was until recently the chairman of the State Planning Commission. Price controls were reimposed for steel, copper, aluminum and other basic materials. After June 4, 1989, government officials reasserted centralized control over major segments of the Chinese economy. Fan Weizhong, deputy director of the State Planning Commission, indicated that central planning would be restored in the process of retrenchment.¹⁴

- **Stock ownership.** In fall, 1988, the reformers tried to keep the reform program alive by proposing the sale of stocks in state enterprises to workers and employees. The plan was condemned by the hardliners as a betrayal of socialism. In fall, 1989, party newspapers blamed proponents of the stock ownership idea for fueling the student unrest. The plan is likely to remain in abeyance.

- **Private business.** During the period 1978-1988, the number of private businesses had

grown rapidly, from 100,000 to 14.5 million, employing 23 million people. This was one of the most dynamic sectors in the Chinese economy. After the conservatives took the helm, the number of individual businesses began to fall. In the first half of 1989, the number of private firms fell by 2.4 million. After the June 4 crackdown, the new leadership initiated an inspection program to regulate individual businesses. The fate of individual businesses was once again in the balance.

- **Income distribution.** Under Chairman Mao Zedong's rule, China adopted an egalitarian system of income distribution, which dampened individual incentive and motivation. When Deng launched the economic reforms, he initiated a policy that would allow some people to become more affluent than others. The new policy was responsible for the emergence of millions of 10,000-yuan families (households that earn an annual income of more than Y10,000) in the rural areas and tens of thousands of well-to-do businessmen in the cities. The rise of a new wealthy class inevitably increased disparities in income distribution. After Jiang Zemin became General Secretary in the summer of 1989, he vowed to remedy this situation. Not only did he avoid mentioning Deng's policy of encouraging the enrichment of a few, he also identified self-employed traders and peddlers as the cause of income disparities.¹⁵

From these new measures one can see that the reform policy, while still mentioned in official statements, has lost its vitality. In contrast, Deng's open door policy has received support from the hardliners as the way to solve the capital shortage.

The open door policy advocated by the new leaders, however, is somewhat different from the old policy and has a strong emphasis on attracting Taiwanese capital. Before 1988, the open door policy was basically targeted at American and Japanese investors. Taiwanese investment was seldom mentioned in the official media because direct investment in the mainland economy is still illegal under Taiwanese law. In 1988, Taiwanese investment in the mainland through overseas channels amounted to \$200 million. As Taiwanese currency continued to appreciate and local wages and land prices soared, more Taiwanese businessmen began to seek investment opportunities across the Taiwan Strait. The amount of Taiwanese investment in Xiamen (Amoy), a Special Economic Zone (SEZ)

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¹³ *People's Daily*, May 23, 1990, p. 3.

¹⁴ Japan External Trade Organization, *China Newsletter*, no. 84 (January-February, 1990), pp. 5-6.

¹⁵ Jiang Zemin, "Seriously Eliminating the Inequitable Distribution of Income," *Qiu Shi* (Seek Truth), (Beijing), no. 12 (June 16, 1989), pp. 5-9.

Chu-yuan Cheng is the author of *Behind the Tiananmen Massacre: Social, Political and Economic Ferment in China* (Boulder, Col.: Westview Press, 1990), and *Sun Yat-sen's Doctrine in the Modern World* (Boulder, Col.: Westview Press, 1988).

"There is much in the reports of China's physical well-being . . . that is encouraging. . . . But it is discouraging to contemplate the unresolved fate of the economic reforms, the continuing degradation of the environment, the still tense food supply-population growth link and . . . the spasmodic rigidity of the ruling dogmatic regime."

Feeding China's People

BY VACLAV SMIL

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DURING the 1980's Western economists, demographers and environmental scientists debated with vigor the effects of population growth on economic performance, adequate nutrition and environmental quality. At the extremes of this debate, catastrophists continue to forecast imminent massive famines—while cornucopians welcome more people as the ultimate resource.¹ In contrast, Chinese scientists seem to have few doubts that rapid population growth would be utterly ruinous to their chances for economic advancement and the maintenance of acceptable environmental quality.

In a systematic and, so far, the most comprehensive evaluation of China's environmental situation, they conclude that of the three major crises faced by mankind today—population growth, the depletion of natural resources and the degradation of environment—population growth "is the most serious one, and is the root of the others."² In China, the links seem to be clear enough:

Because of the rapid population growth, the increasing pressure on food and fuel production has resulted in deforestation, overexploitation of natural resources and conversion of lakes to cultivable land. These activities have led to further damage of vegetation cover, destruction of ecosystems, erosion, aggravation of natural disasters, shortages of fuel, feed and fertilizer, exacerbation of production problems, and difficulties in increasing food production.³

These perceptions are easy to understand, with annual births now averaging about 23 million babies, with the number of women at peak childbearing age (21–30 years) still rising (it will culminate at about 125 million in 1993), with the availability of

¹For a typical catastrophist position see Paul R. Ehrlich and John Holdren, eds., *The Cassandra Conference: Resources and the Human Predicament* (College Station, Tex.: Texas A & M University Press, 1988); for a cornucopian perspective see Julian Simon, *The Ultimate Resource* (Princeton, N.J.: Princeton University Press, 1981).

²Fu Lixue et al, *Gaishan shengtai huanjing* (Improving the Environment), (Beijing: Science Book Publishing House), p. 215.

³Ibid., p. 25.

arable land steadily shrinking (even in absolute terms), and with higher amounts of farm inputs needed to achieve additional unit yields.

Consequently, in spite of remarkable food production increases that have elevated China's average per capita food availability surprisingly close to the Japanese level and in spite of equally remarkable population growth reductions that have lowered the country's birthrate to about half the average for the world's 50 poorest countries, the Chinese feel pressed on both accounts. Concerns about the adequacy of the food supply and the need for effective population controls will remain among China's leading preoccupations during the 1990's. Understanding the advances and failures of the 1980's should make it easier to assess the future success of these difficult endeavors.

POPULATION CONTROL

The unparalleled success of China's population controls during the 1970's—marked by a precipitous decline from more than 35 births per 1,000 at the beginning of the decade to fewer than 20 per 1,000 at its end, with total fertility dropping from nearly six live births per woman in 1970 to just about 2.5, that is, close to the replacement level—brought little satisfaction to the new, considerably more pragmatic leadership that was reconstituted after Chairman Mao Zedong's death to lead China into the 1980's.

As they were formulating the bold modernization program aimed at quadrupling the country's gross economic product in one generation and achieving an average per capita gross national product (GNP) level of US\$1,000, they concluded that limiting the population total to 1.2 billion by the year 2000 was essential for its success. If the population continued to increase at just over 1.4 percent a year, its end-of-the-century total would surpass 1.3 billion, and the expenditures needed to support an additional 100 million people would be enormous.

If 2,200 yuan are needed to support a child until he reaches 16, the total to support 100 million will be 220

billion yuan, nearly half of the total value of China's present fixed assets.⁴

The policy was not regarded as a permanent tightening of population controls, but rather as "an emergency measure, a social payment for the unplanned population reproduction from the 1950's to the 1970's. After weighing the pros and cons, we consider it our best alternative."⁵ With the one-child campaign started in January, 1979, China adopted the world's most comprehensive population control program, designed to reduce fertility in a way unprecedented both in its sweep and its coercive nature. But the decade was not marked by steady progress along this untried road — rather by increasing coercion and spreading relaxation.

In spite of the frequent Chinese assurances and protests that the efforts in the pursuit of one-child families are fundamentally voluntary, are guided by education and persuasion and are sustained by the responsible participation of millions of families ("How could they all be forced to behave like that?" has been an often asked question to convince naive Westerners ignorant of the reach and the power of totalitarian control), there can be no doubt about the involuntary, coercive, punitive, stressful and not infrequently tragic aspects of the program.

The existence of an extensive birth control bureaucracy that checks on the regularity of menses, watches for unplanned pregnancies hidden under padded winter clothes, posts lists of neighborhood families regularly using contraceptives and issues annual conception permits is perfectly Orwellian. When and where this machinery is moving at full speed the sacrifice of individual wishes in the name of the collective good is hard to avoid.

But given China's resilient procreative traditions, the frequent laxity and dilatoriness of its low-level bureaucracy, recurrent and contradictory shifts of

centrally formulated policy directions, great regional heterogeneity and the still enormous urban-rural divide, it is not surprising to find that even the strictest policies may repeatedly translate into considerably muted, even merely perfunctory, action at many local levels.

Only prejudiced apologists could argue that China's family planning effort accords with the United Nations Population Plan of Action, which specifies the rights of parents to determine, in a free and responsible manner, the number and the spacing of their children. On the other hand, to believe that the policy has had uniform and uniformly inescapable local consequences would be vastly to overrate the governing effectiveness of the Chinese bureaucracy — and vastly to underestimate the pulls of tradition and economic necessity.

In fact, the one-child campaign engendered so much resentment and such relatively widespread evasion and defiance that, in yet another repetition of the Chinese pattern of policy-making, the initial tightening of the early 1980's was followed by a post-1983 moderation. This easing of controls caused such a substantial increase of births that the goal of 1.2 billion people by the year 2000 had to be abandoned, and signs of a new tightening were apparent during the closing years of the decade.⁶

Perhaps the most important factor militating against the general compliance with the one-child limit has been the continuing strong desire to have at least one son. The national fertility survey of 1982 provided incontrovertible evidence of preference for sons in almost every part of China.⁷ As expected, the traditional *duo zi duo fu* (more sons, more happiness) remains especially strong among the tens of millions of rural families, but this does not mean that most families would be satisfied if their first-born child were a son.

Various family-size preference surveys indicate that, with a few exceptions, both rural and urban families would prefer two children, rather than just one or three or more as in the traditional setting.⁸ Moreover, the overwhelming preference is not just for two children but specifically for one boy and one girl. This means that many families with two daughters (about three-fourths) or two sons (nearly half) would try for a third birth in the absence of state controls.

In the initial stages of the one-child program it was thought that these pronatalist tendencies could be controlled by a combination of intensified propaganda, suitable rewards and penalties and virtually unavoidable sterilizations. This approach reached its apex in 1983 with campaigns of mandatory IUD (intrauterine device) insertions for women with one child and sterilization or abortion for all couples with two or more children.

⁴Qian Xinzong, "China's Population Policy," in *Beijing Review*, vol. 26, no. 7 (1983), pp. 21-24.

⁵Li Shiyi, "Developmental Trends in Chinese Population Growth," in *Beijing Review*, vol. 25, no. 2 (January 11, 1982), pp. 23-25.

⁶For the most comprehensive account of China's population policies until 1985 see Judith Banister, *China's Changing Population* (Stanford: Stanford University Press, 1988); for an update covering the situation until 1988 see Karen Hardee-Cleveland and Judith Banister, "Fertility Policy and Implementation in China, 1986-1988," in *Population and Development Review*, vol. 14 (1988), pp. 245-286. The results of the 1982 census are detailed in Population Census Office, *The Population Atlas of China* (Hong Kong: Oxford University Press, 1987).

⁷Fred Arnold and Liu Zhaoxiang, "Sex Preference, Fertility, and Family Planning in China," in *Population and Development Review*, vol. 12 (1986), pp. 221-246.

⁸Martin King Whyte and S.Z. Gu, "Popular Response to China's Fertility Transition," in *Population and Development Review*, vol. 13 (1987), pp. 471-493.

The most reprehensible consequence of these coercive measures was the unintended surge of female infanticide. This ancient Chinese custom appeared to decline to insignificant levels before 1980, but starting in 1981 the Chinese press carried many reports of its resurgence, and the 1982 census and the fertility survey came up with some incredibly unnatural sex ratios. There were many official condemnations of this "barbarity," blamed largely on the lingering "feudal attitude of viewing men as superior to women."⁹ The government's disapproval was unequivocal, but the rigidly applied one-child policy was the catalyst of this reprehensible regress. There was also a substantial increase of reported abortions: between 1978 and 1982 the ratio of abortions per 1,000 births nearly tripled, from 271 to 741, and so far the record number of abortions, 14.37 million, were performed in 1983.¹⁰

But the fate of the strict one-child policy was decided in the countryside, where it made a most unconvincing match with the rapid privatization of Chinese farming, the disbanding of communes and the institutionalization of individual family contracting (*baogan daohu*). Within this new rural setup, the previous rewards and penalties of the one-child program became largely irrelevant for millions of newly rich peasants who could easily afford to pay even relatively exorbitant fines for unplanned births. In addition, the new Marriage Law of 1980—which pushed the minimum marriage age down to 20 years for women and 23 years for men and replaced a set of locally variable, strict and hence often unenforceable limits—led to a surge of marriages.

In April, 1984, after roughly five years of the one-child program, the party's Central Committee issued revised population control guidelines that were more realistic and easier to implement and to accept. The most important change, aside from calling for the prohibition of "coercion and commandism," was replacing the inflexible single-child policy by allowing the birth of a second child in

rural families suffering a variety of practical difficulties. Individual provinces subsequently expanded the number of conditions permitting second births, and by 1986 it was possible to identify more than a dozen reasons for such "openings."¹¹

A tangle of these often province-specific allowances includes above all physical handicaps (non-hereditary disease of the first child), the hazardous occupation of fathers (miners, ocean fishermen), poverty in remote areas, ethnicity (minority nationalities are excepted from the one-child limit), preservation of family line (where one or both parents are the only children), as well as the sex of the first child.

Rural couples in economic difficulties could have a second child when the first child was a girl or when, in a family with no sons, the husband joined that family, or when the first child in such a family was a girl. In general, these relaxed regulations recognized the strong traditional desire for the preservation of patrilineal families, as well as the continuing value of children as important economic assets for poor families.

Naturally, these changes were welcomed by millions of peasant families, and the officially reported rural birthrate, which reached its historic low in 1984 at 17.9 per 1,000, rose to 19.17 per 1,000 in 1985 and to 21.94 per 1,000 in 1986. Second births, which totaled 4.55 million in 1984, rose to 6.88 million by 1986, a 50 percent jump, leading a Chinese commentator to conclude that the country had lost control of its population growth.¹²

One population survey of 1987 provided a deeper understanding of China's fertility trends since the beginning of the one-child policy. Most notably, it revealed a decline in total fertility rates from 2.86 live births per woman in 1982 to 2.27 in 1985, and a subsequent rise to 2.45 by 1987, or virtually to the same level as 1980.¹³ Although some areas (perhaps most notably Sichuan, China's most populous and overwhelmingly rural province) experienced a significant rise in fertility with more lenient birth control policies, there was no nationwide fertility surge before 1988.¹⁴

But it was the rising crude birthrate and the even more rapidly rising numbers of total births—officially from 18.081 million in 1984 to 22.576 million in 1987, or an almost 25 percent jump in just three years—that led to the widespread impression that the "small hole" opened up by the 1984 relaxation of birth controls was becoming unmanageably large. In consequence, the Chinese media started to release reports about the virtual demise of effective birth controls on the local and provincial level, and many local governments opted for tighter emergency measures.

Typically, the news items either listed the totals

⁹Xing Lin, "Protecting Infant Girls," in *Beijing Review*, vol. 26, no. 5 (1983), p. 4.

¹⁰"Abortion in China," in *Modern China*, vol. 13 (1987), pp. 441-468.

¹¹Susan Greenhalgh, "Shifts in China's Population Policy, 1984-86: Views from the Central, Provincial, and Local Levels," in *Population and Development Review*, vol. 12 (1986), pp. 491-515.

¹²Hu Angang, "Why Has China Lost Control of Its Population Growth in Recent Years?" in *Liaowang* (Outlook), no. 10 (1989), pp. 22-23.

¹³Griffith Feeney et al, "Recent Fertility Dynamics in China: Results from the 1987 One Percent Population Survey," in *Population and Development Review*, vol. 15 (1989), pp. 297-322.

¹⁴Wang Jichuan, "Determinants of Fertility Increase in Sichuan, 1981-86," in *Population and Development Review*, vol. 14 (1988), pp. 481-488.

of excess births or characterized the prevailing situation as "birth chaos," or described the outlook, with the continuous rise of multiple births and early marriages, as "grim."¹⁵ Provincial authorities responsible for enforcing the birth quota reverted to the well-worn calls for "mobilizing the masses to vigorously and conscientiously implement birth control measures and remedial measures" (i.e., abortion), "strengthening family planning work," and "unswervingly and unwaveringly stabilizing the existing birth control policies. These must not be changed before the year 2000."¹⁶ In Sichuan, in 1987, the government of Chengdu put into effect a temporary prohibition of all second births and the provincial government decided "to tighten legal actions on birth control."¹⁷

With the increasing frequency of exhortatory policy statements and with a growing number of news items critical of the weaknesses of the family planning program, it was difficult to avoid the conclusion that these developments were signaling renewed tightening of birth control policy in order to achieve the 1.2 billion goal in the year 2000.¹⁸ But this interpretation was challenged by a well-informed Chinese demographer.¹⁹ Zeng Yi maintained that the changes in the leadership of the State Family Planning Commission, opinions critical of the softening of birth controls prevalent between 1984 and 1986, and calls for strengthening the family planning program do not indicate an official tightening of the basic policy.

On the contrary, he cited two kinds of important relaxations: extension of the policy allowing rural daughter-only-households to have a second child (introduced in 1984 in limited areas) to all of China's countryside in 1988, and the adoption of a two-children-with-spacing policy in several provinces. These relaxed rules recognize the minimum level of prevailing rural willingness to limit fertility; bureaucratic wishes must defer to tradition and economic necessity.

¹⁵Hebei provincial service, March 1, 1989, in British Broadcasting Corporation, *Summary of World Broadcasts (SWB)*, FE/W0069, p. A/2; Hubei provincial service, April 13, 1989, in *SWB*, FE/W0074, p. A/1; Guangxi provincial service, October 19, 1989, in *SWB*, FE/W0102, p. A/1.

¹⁶Provincial Responses to Rising Fertility in China," in *Population and Development Review*, vol. 13 (1987), pp. 363-369.

¹⁷Wang, op. cit., p. 486; "Birth Planning in Sichuan Province, China," in *Population and Development Review*, vol. 14 (1988), pp. 369-375.

¹⁸*Ibid.*, pp. 245-286.

¹⁹Zeng Yi, "Is the Chinese Family Planning Program Tightening Up?" in *Population and Development Review*, vol. 15 (1989), pp. 333-337.

²⁰*Ibid.*, p. 337.

²¹Unless otherwise indicated, all food production figures are from State Statistical Bureau, *China Statistical Yearbook 1989* (Beijing: State Statistical Bureau, 1990).

Bringing the rules closer to the limits of realistic expectations should make for better long-term compliance, but it meant the open abandonment of the 1.2 billion goal for the year 2000. Zeng Yi states that the Chinese interpretation of the new target size of "about 1.2 billion," which replaced the original "within 1.2 billion" in 1985, is "not exceeding 1.25 billion."²⁰ But even that relaxed limit may be too low. Continuation of fertilities prevailing during the late 1980's—a realistic expectation in the absence of a radical return to stricter birth controls—would bring China's population to between 1.25 billion and 1.28 billion by the year 2000; and it is not inconceivable that the total could come very close to the 1.3 billion mark, or even surpass it.

This is a daunting outlook. Since China's population passed the stunning 1.1 billion mark in April, 1989, it means that the 1990's will see the addition of at least 140 million-150 million people, a total roughly equal to the current population of Brazil. Extending the recent nutritional gains to this huge population increment will be more onerous for China's agriculture than were its notable advances during the 1980's.

GROWING ENOUGH FOOD

Until 1978, China's food consumption pattern was one of bare subsistence. Perhaps the best illustration of this fact is that the direct rural grain consumption kept steadily increasing for years after rice and wheat flour availability became higher: indeed, it did not level off until 1985, at about 260 kilograms per capita, while the direct urban grain consumption in the late 1980's fluctuated narrowly between 133 kilograms and 138 kilograms per capita.²¹

The higher availability of grain was, of course, the most important result of China's radical post-1978 turn away from the communal command farming to the family contract system. Adopted first with caution and then (after 1982) very rapidly, this change amounted to a rural revolution that boosted total food production and improved the quality of the average diet while increasing labor productivity and releasing tens of millions of peasants for employment by rural and urban manufactures.

Perhaps the best way to appreciate the achievement of this fundamental shift is to compare the change in the per capita consumption level of basic foodstuffs during the quarter-century preceding the beginning of the farm privatization with the

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Vaclav Smil is an ecologist interested in interaction of environment, food and energy systems. His latest book is *General Energetics* (New York: John Wiley, 1990):

"The use of the Chinese military to suppress unarmed demonstrators in June, 1989, has exacerbated existing tensions in civil-military relations and has complicated the process of recruitment and demobilization. The more conservative post-Tiananmen government has made a major, if still unsuccessful, effort to refurbish the PLA's [People's Liberation Army's] image with the people."

The Military in China

BY JUNE TEUFEL DREYER

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THE Chinese People's Liberation Army (PLA) spent the year after its bloody suppression of civilian demonstrators in Beijing coping with the consequences of its intervention. While foreign analysts predicted that the military's influence in elite-level decision making would be strengthened as a result of the crucial role it played in Tiananmen Square, there are few indications that this has actually happened.

Rather than strengthening the interests of the military as a whole, the PLA's actions have apparently strengthened the power of a conservative faction of the military. This faction exists in the party and government as well, with interlocking memberships between the military and other institutions in the People's Republic of China (PRC). Conservatives have become more powerful there also.

Generally speaking, conservatives are in favor of more reliance on central planning. They are less happy than liberals with the idea of separation of functions, because separation would weaken the guiding role of the Chinese Communist party (CCP); they are also less willing to tolerate the Western political, social and literary influences that accompanied de facto leader Deng Xiaoping's modernization program. There is a certain tendency in Western analytical writing to portray conservatives as atavistic ideologues adamantly opposed to modernization. While such individuals may exist, it would be more accurate to describe conservatives as concerned with what they regard as the adverse side effects of modernization.

As for the military, conservatives were distressed by a sharp deterioration of the PLA's prestige. Military salaries had remained the same while economic modernization raised incomes in many areas of the civilian sector, thus hampering recruitment. Young men regarded the military as the employer of last resort; thus the PLA was increasingly composed of the unfit and the unwilling. Low fixed salaries in an era of rising inflation exacerbated the temptation to corruption in the military, which burgeoned during the decade of reform. Not surprisingly, there was a

marked decrease in military morale, accompanied by a tendency toward lax discipline. Conservatives saw this as an indication of what they referred to as decadent Western influences in literature and art.

Their goal was to correct the aberrations in the military modernization program rather than to reverse military modernization itself. Should it be argued that the corrective measures would slow down military modernization, conservatives would reply that the trade-off was worth the effort.

The conservative faction was firmly ensconced in Chinese leadership circles before the May-June, 1989, demonstrations. At the same time, the liberal faction has been intimidated into silence since June 4, rather than being wiped out, and can therefore serve as an inhibiting force against sharp change, if only by exercising passive resistance. Therefore, one should expect a reinforcement of certain trends already noticeable in the administration of the PLA before the Tiananmen massacre, rather than a radical break with the past. This is precisely what has happened. These trends are most noticeable in the areas of leadership personnel, the attention devoted to political study, civil-military relations, and conscription-demobilization.

PERSONNEL CHANGES

Before the Tiananmen incident, the party's Central Military Commission (CMC), the organization that directs the work of the military, was chaired by Deng Xiaoping. Its first vice chairman was General Secretary Zhao Ziyang and its permanent secretary general was President Yang Shangkun. Deng had many other responsibilities, and he entrusted the day-to-day administration of the PLA to the conservative Yang. Yang used this opportunity to appoint his relatives and like-thinking subordinates to influential positions. The most salient example was his younger half-brother, Yang Baibing, who was named head of the PLA's General Political Department in 1987.

In the aftermath of the Tiananmen incident, Zhao was removed from office; Deng later retired.

There was intense speculation both within China and without as to who would fill the vacancies thus created, with Yang Shangkun rumored to covet the CMC chairmanship. In the event, it was not Yang, but Zhao's successor as General Secretary, Jiang Zemin, who was appointed. To have the General Secretary serve as head of the CMC reestablished the tradition begun by Chairman Mao Zedong and carried on by his immediate successor, Hua Guofeng. It is also consonant with basic tenets of conservatism, which insist that the party must command the gun and that a separation of powers will be detrimental to China's development.

While Jiang was named CMC chairman, Yang Shangkun was moved into Zhao's former position of first vice chairman. Yang Baibing took over his brother's job as CMC secretary general, while retaining his previous position as head of the PLA's General Political Department. The younger Yang was also appointed to the secretariat of the party Central Committee, though it is noteworthy that he was not made a member of its Politburo, much less of the Politburo's smaller and even more select standing committee.

In terms of the actual administration of the PLA, Jiang's appointment as CMC chairman may be little more than symbolic. He has publicly admitted that his military experience is very limited and has called on CMC veterans to help him.¹ With many other duties, Jiang probably relies heavily on the Yangs. There is no evidence of any disagreement between him and them, although differences of opinion may well arise.

A few months after the reorganization of the CMC, another reputed member of the Yang network was named deputy director of the PLA's General Political Department. Yu Yongbo, an ethnic Manchu in his late fifties, apparently came to Yang Shangkun's attention when the two served in the Guangzhou Military Region in the late 1970's.²

A major reshuffle of military commands took place in May, 1990, with foreign military attachés and the Hong Kong press in agreement that loyalty

to the conservative cause was the chief criterion for promotion. One Western military officer resident in Beijing stated flatly, "If you are a friend of Yang Baibing's, you are more likely to get promoted."³

Since a number of the personnel involved in the reshuffle were transferred from one military region to another rather than simply removed from office, another motivation seems to have been involved. Transfers minimize the opportunity for high-ranking officers to become entrenched in the power structures of a given geographical area, thus inhibiting the creation of what the Chinese media refer to as "independent kingdoms," which allow their rulers to ignore or modify the decrees of the central government.

Official allegations to the contrary, such multi-region transfers are not a normal procedure in the PLA. The last instance occurred at the new year of 1973-1974, when Mao transferred an equally large number of commands for exactly these reasons. The spring 1990 transfers make it clear that the central government is concerned about centrifugal tendencies.

Somewhat unusually, the changes were not announced from Beijing, but from the military regions involved, and by Yang Baibing, who visited each region to make the announcements. This strengthens the hypothesis that Jiang Zemin defers to the Yangs in the administration of the military, and that the "Yang family village" has gained in importance. In addition, in April, a unit identified with the 27th Army and the Yangs was awarded the Order of Merit, First Class, for its role in "retaking and cleaning up" Tiananmen Square.⁴

If those loyal to Yang have been advantaged, what of those who were not? There have been no publicly announced purges. Indeed, to have publicized such dismissals would undermine the government's contention that the suppression of the demonstrations was a unified effort against the handful of counterrevolutionaries who had instigated them, and that differences in the responses of different armies were pure fabrications of the foreign press. Well-publicized dismissals could only further depress PLA morale, which was already low.

It is generally believed, however, that about 400 officers and 1,600 soldiers of those PLA units moved into Beijing in 1989 have been discharged for failing to carry out orders.⁵ The commander of the 38th Army, who allegedly checked into a hospital rather than lead his troops against the demonstrators, was the highest-ranking person initially affected. He was reportedly court-martialed and sentenced to a lengthy prison term.⁶ In late May, his superior, General Zhou Yibing, commander of the Beijing Military Region, was replaced, as was the region's commissar.⁷ When martial law was

¹Xinhua (Beijing), November 21, 1989, in Foreign Broadcast Information Service, *China Daily Report* (hereafter, FBIS), November 21, 1989, p. 17.

²*Hong Kong Standard* (Hong Kong), January 4, 1990, pp. 1-2, in FBIS, January 4, 1990, p. 23.

³Ann Scott Tyson, "Military Power Shuffle Under Way," *Christian Science Monitor*, May 14, 1990, p. 5.

⁴*Agence France-Presse* (Hong Kong), April 3, 1990, in FBIS, April 11, 1990, pp. 24-25.

⁵Ann Scott Tyson, "Discontent Stirs in Chinese Army," *Christian Science Monitor*, May 14, 1990, p. 5.

⁶*South China Morning Post* (Hong Kong), December 28, 1989, pp. 1, 10.

⁷Willy Wo-lap Lam, "Beijing Military Leadership Claimed Purged," *South China Morning Post* (Hong Kong), May 29, 1990, p. 9.

declared, the Beijing Military Region appeared to be the most reluctant to enforce it, being the last of the country's seven military regions formally to declare support.

Nonetheless, some high-ranking military figures who were believed to have been most reluctant to support the use of the PLA against the people made what seemed to be almost ostentatious public appearances in the weeks after the massacre. Invariably, these individuals are "old revolutionaries" whose long records of loyalty to the Communist party would be difficult for conservatives to impugn without calling their own motives into question. All are elderly; most are already retired; and the others can simply be left in place for a time, then gradually replaced. It can be assumed, however, that they have a following among the younger officers, many of whom are their former subordinates.

POLITICAL STUDY

Political study, ever-present in the PLA, had nonetheless been a muted theme during the decade before the spring 1989 demonstrations. Thereafter, it was quickly raised to a new level of salience, with a ranking member of the CMC explaining that neglect of political study had been a crucial reason why "some people" failed to distinguish clearly between right and wrong at that time.⁸ High-ranking officers were required to attend special classes on Marxism and the military thought of Deng Xiaoping and Chairman Mao Zedong. In addition, study meetings were held in the respective military regions, districts and subdistricts. Not surprisingly, points that were stressed and restressed were, first, the party's absolute leadership over the military and, second, the subversive nature of ideas like "separating the army from politics" and "preventing the army from interfering in politics." Those who espoused such views were castigated as "leading advocates of bourgeois liberalism" whose views ought to be stamped out.⁹

The attempt to purify thoughts in the PLA also led its General Political Department to order a thorough "cleansing of the cultural environment in military barracks." Pornographic books, newspapers

and magazines, and obscene audio and videotapes were confiscated. Military library holdings and the products of military presses underwent scrutiny: "those packed with descriptions of erotic behavior, sexual acts, murder, violence, and feudal superstitions [were to be] resolutely cut off." Healthier cultural fare was to be substituted: the Lanzhou Military Region was praised for launching "Sing One Hundred Revolutionary Songs" activities for its units.¹⁰ The reaction of the troops to this change in their entertainment was not recorded.

Yet another target of the intensified campaign of political study was military corruption. The PLA is heavily involved in China's economic modernization program, and creative accounting methods in military enterprises had led to the establishment of what the authorities term "small treasuries" or "little gold stores" within units. Study sessions admonished soldiers to be honest and turn in their ill-gotten gains, while the PLA's General Logistics Department was ordered to formulate stricter financial regulations. In April, 1990, it was announced that 65 separate major corruption cases had been uncovered. Six officers at the corps level and 38 at the divisional level had been disciplined for a total of 44—a total significantly lower than the number of major cases uncovered, even if one assumes that each major corruption case involved only one officer.¹¹

Instead of resorting to embezzlement or concealing revenues from the state, officers and recruits were admonished to keep the needs of the entire country in mind, to be willing to bear hardship gladly for the sake of the people and to resolve to lead thrifty lives. Those whose opinions were solicited by the mass media invariably pledged that they would do so.

Repeated admonitions to frugality did not preclude a sizable increase in the PLA's budget for fiscal 1990, to 28.97 billion yuan (Y). This amounted to a 12 percent increment if measured against actual expenses for 1989, and 15.2 percent if compared with budgeted expenses. As with the PLA's increases in the several preceding years, this is barely enough to keep the military apace of inflation. What is noteworthy is the rise in the PLA's share of the budget, from 8.78 percent of the total in 1989 to 11.47 percent in 1990.¹² It is still unclear whether this increase represents a trend, in which case one might conclude that the PLA is indeed being rewarded for its role at Tiananmen, or whether it is a one-time effort to take care of accumulated financial problems.

As is not uncommon in China, a role model was brought forth to personify the virtues that the party expects of PLA members. Again, not surprisingly, the role model chosen was Lei Feng, that durable—

⁸Huang Caihong, "Liu Huaqing Stresses All-Army Forum on Political and Legal Work," *Renmin Ribao* (Beijing), August 19, 1989, p. 2.

⁹*Jiefang Junbao*, October 1, 1989, pp. 1–2, in FBIS, October 19, 1990, p. 39.

¹⁰*Jiefang Junbao*, October 28, 1989, p. 1.

¹¹See, for example, Xinhua, November 17, 1989, in FBIS, November 17, 1989, p. 19; also, *Hong Kong Standard*, April 3, 1990, p. 6.

¹²*South China Morning Post*, March 23, 1990, p. 13, in FBIS, March 29, 1990, p. 33; see also Finance Minister Wang Bingnan's report on the budget, Xinhua, April 7, 1990, in FBIS, April 12, 1990, pp. 16–26.

at least in the minds of the leadership — exemplar of all that is pure and good. Martyred (if that is the correct term to use for a soldier killed in peacetime when a truck backed into him) in the early 1960's, Lei left behind a diary filled with adulation for Chairman Mao, his desire to share his meager pocket money and his tattered clothes with the masses, and other impeccably eve-of-the-Cultural Revolution party line thoughts.

Lei's image had actually been resuscitated several times before the Tiananmen demonstrations, causing problems for those in charge of the campaign to learn from him. First, the Chinese population was more overtly cynical than it had been at the time of the Cultural Revolution. Second, the party line had changed significantly. Some officers were in favor of updating Lei's image: in line with Deng's belief that it was socially acceptable to become rich, Lei would be made a well-dressed, financially successful businessman. Since devotion to building socialism and memorizing the thoughts of Chairman Mao were no longer expected to encompass the totality of human passions, perhaps Lei might even have a girlfriend. Other officers argued against the deception involved in rewriting history, and believed that in any case it would not have the desired effect.¹³ In the event, the general public responded with derision to the pre-Tiananmen campaign to learn from Lei Feng.

After Tiananmen, the campaign to learn from Lei became a major media theme. There were no reports of popular scorn, whether because individuals had changed their opinions, because they were afraid to express them publicly, or because the media did not print them. A *New Edition of Lei Feng Stories* published in December, 1989, presented a new Lei Feng. Consonant with conservative views, the late 1989 model Lei had not made large sums of money in business and did not wear fashionable clothes or have a girlfriend. He did, however, have a strong desire to study science and technology in order to serve his party and state, and a firm conviction that discipline was one of the cardinal virtues. The preface to the volume was written by Yang Shangkun.¹⁴ Also published at this time were *Selected Diaries of Lei Feng*. The preface, by Yang Baibing, was a reprint of the speech he had made a few months earlier on his well-publicized inspection

of the regiment to which Lei had belonged.¹⁵

Since the campaign to learn from Lei Feng seemed so obviously a vehicle for the Yangs, and since it was soon extended beyond the military into society at large, some observers concluded that it was intended to extend their power base into a wider area.

CIVIL-MILITARY RELATIONS

Before the Tiananmen demonstrations, civil-military relations were far from the ideal of "the army is the fish and the people are the water; the fish cannot swim without the water" advocated by Mao. The slogan is in any case a bit difficult to apply unless there is an acceptable external enemy. Civilians had legitimate grievances against the PLA, and PLA soldiers had equally just complaints against civilians; the issues ranged from relatively straightforward clashes of personality to complex competition for scarce resources.

A particularly serious example of the latter was the matter of land rights. In the past, almost as a matter of course, the PLA had been granted use rights by governments at all levels: formal procedures apparently did not exist. Few serious problems were reported, probably because of the highly centralized nature of China's planned economy. With the devolution of economic responsibility to the household level in 1979 and the subsequent dissolution of the communes, people became acutely aware of the value of land rights. Civilians began to encroach on military properties, reasoning that they had been improperly appropriated in the first place. PLA property was regularly stolen; the disappearance of sturdy telephone poles and wires often caused lengthy breakdowns in military communications. Sentries sometimes apprehended the thieves, but the PLA had no legal jurisdiction over them. There were frequent complaints that civil authorities were sympathetic to the culprits, and suspicions that the local power structure might even have been involved in the crimes.¹⁶

The declaration of martial law in May, 1989, sharpened the we/they distinction between soldiers and civilians. When troops moved out of their bases to Beijing and elsewhere in order to enforce the decree, bands of civilians sometimes raided their barracks, assaulting the personnel who remained and insulting soldiers' families.¹⁷ After the June 4 massacre, civil-military relations worsened. Those who brought water or fresh fruit to troops patrolling in the hot sun might have contaminated their offer-

(Continued on page 277)

¹³See e.g., the letter from a protesting officer published in *Renmin Ribao*, May 5, 1989, p. 5.

¹⁴Xinhua, December 20, 1989, in FBIS, December 21, 1989, p. 21.

¹⁵Xinhua, December 9, 1989, in FBIS, December 21, 1989, pp. 30-31.

¹⁶See e.g., Beijing Radio, November 17, 1988, in FBIS, November 21, 1988, p. 59; Lanzhou Radio, December 6, 1988, in FBIS, December 7, 1988, p. 63.

¹⁷Hebei Radio, July 18, 1989, in FBIS, July 18, 1989, p. 56.

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"Now that more than a year has passed since China's human rights cataclysm of June, 1989, Chinese leaders are providing conflicting signals about their future conduct. . . . The direction in which China plans to move with respect to human rights remains uncertain, but the international significance of these issues has been assured."

Deteriorating Human Rights in China

BY JAMES V. FEINERMAN

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THE most remarkable development during the past year with respect to human rights in the People's Republic of China (PRC) has been the domestic and international attention focused on the subject. After almost a decade of relative neglect on the part of the international community, a new scrutiny of China's human rights practices emerged as a salient feature of bilateral relations between China and many nations of the world. Even in the United Nations (UN), China was the subject of an intensive investigation and only narrowly avoided censure. Although the domestic turmoil that led to the imposition of martial law in 1989 in Beijing and in Tibet eased enough to permit the lifting of martial law in both jurisdictions by the spring of 1990, considerable popular resentment lurked behind the thin veneer of calm.

The source of this new interest in human rights in China was the suppression of the 1989 democracy movement on June 3-4, 1989, by troops of the People's Liberation Army. Despite the lack of accurate

casualty figures a year after the Beijing massacre, reliable sources estimate that hundreds were killed and thousands were injured.¹ In the ensuing crackdown, which has persisted well into 1990, tens of thousands of democracy movement participants, supporters and sympathizers were rounded up, held without charge and interrogated.² Some were released after a brief period, but others remained in detention after several rounds of releases. Yet in contrast to earlier periods of extensive repression, like the decade of the Cultural Revolution (1966-1976), this episode provoked immediate and sustained condemnation around the globe. A year later, China remains an international pariah unable to participate fully in the international political order. It has been denied access to some World Bank programs for which it otherwise qualifies; and it has been shunned by its former socialist allies that have peacefully made the transition to more democratic rule.

Perhaps the most surprising turn of events has been the emergence of China's human rights situation as a domestic political issue in the United States. An early bipartisan consensus condemning the savagery of the Beijing massacre and extending the stay of Chinese nationals in the United States began to disintegrate over questions about the extent and level at which limited relations might be maintained.³ Conciliatory gestures aimed at maintaining lines of communication with "moderates" in the Chinese leadership were attacked as "kowtowing" to de facto leader Deng Xiaoping and the other hardliners.

An acrimonious public debate followed, leaving United States President George Bush to exclaim at a press conference that he cared just as much about human rights in China as did members of Congress.⁴ The battle was rejoined a few months later when the question of renewing China's most-favored-nation (MFN) status arose; many commentators argued that the annual renewal should be made conditional on improvement in human rights, despite the lack of a clear nexus under United States law.⁵

¹United States Department of State, "China," in *Country Reports on Human Rights Practices for 1989*, p. 802: "At least several hundred, and possibly thousands, of people were killed in Beijing on June 3-4."

²See e.g., *Massacre in Beijing: The Events of 3-4 June 1989 and Their Aftermath* (New York: International League for Human Rights and the Ad Hoc Study Group on Human Rights in China, 1989); Asia Watch, *Punishment Season: Human Rights in China after Martial Law* (New York: Asia Watch Committee, 1990).

³President George Bush had originally announced that all high-level contacts with China were to be suspended. It later was revealed that less than a month after the massacre, he sent a high-ranking personal envoy to meet with Chinese leaders. In December, a more widely publicized visit of two top aides, National Security Adviser Brent Scowcroft and Under Secretary of State Lawrence Eagleburger, was criticized by a broad range of politicians and public figures. See e.g., Winston Lord, "Misguided Mission," *Washington Post*, December 19, 1989, p. A23.

⁴Excerpts from Bush's News Session on China's Trade Status with U.S., *The New York Times*, May 25, 1990, p. A12.

⁵See e.g., Winston Lord, "Bush's Second Chance on China," *The New York Times*, May 9, 1990, p. A31. Under the applicable statute, the only grounds for denial or nonrenewal of MFN related to human rights are those involving refusal to permission to emigrate.

Ironically, there has been some improvement over the past year in human rights conditions in China, at least by comparison with last year's massacre and the subsequent crackdown. No similar events have occurred since June, 1989; large-scale demonstrations have been effectively discouraged by the demonstration of the leadership's determination to suppress them. In the year after the massacre, occasional releases of democracy movement activists detained during the military crackdown have lowered the number of political prisoners held in China;⁶ some of the most prominent detainees claim to have been reasonably well-treated during their confinement.⁷ Yet the limited improvement in certain areas was overshadowed by renewed abuses of other basic rights, like religious freedom; however, the arbitrary actions of government forces and political leaders heightened concern that the cautious movement towards rights-based democratic government would not soon be resumed.

In the aftermath of the Beijing massacre of June 3-4, 1989, evidence of China's disregard for universally accepted human rights became increasingly evident. Credible reports have been compiled that detail violations of personal integrity, including extrajudicial killings, disappearances, torture, arbitrary arrest and interference with personal privacy. Civil rights guaranteed in China's 1982 constitution—freedom of speech and the press, freedom of assembly and association, freedom of religion and freedom of movement—all have suffered severely in the crackdown period. Political rights have been curtailed, and discrimination against women and China's national minorities has reemerged. Class discrimination is also apparently a factor in dis-

⁶Sheryl WuDunn, "China Releases 97 Held in Protests," *The New York Times*, June 7, 1990, p. A15 (this action brought to 881 the total officially reported to have been released; it is unclear how many remain behind bars).

⁷E.g., Dai Qing, "My Imprisonment," *Ming Pao*, May 20-29, 1990, translated in Foreign Broadcast Information Service, *China Daily Report* (hereafter, FBIS), May 28-30, 1990.

⁸Amnesty International, "Thousands Detained Since June 1989," *Amnesty International Focus*, June, 1990, p. 3.

⁹Ibid.

¹⁰Special Article, "Red Prisons Obtain Confessions from Political Prisoners by Compulsion," *Ming Pao*, May 6, 1990, p. 23, translated in FBIS, "Maltreatment of Political Prisoners Reported," May 7, 1990, p. 34.

¹¹Under Article 19 of "The PRC Regulations on Administrative Penalties for Public Security," the police have the authority to assign those accused of "minor offenses" (disturbing the peace, fabricating rumors, etc.) to labor reform camps for up to three years.

¹²Constitution of the PRC, Article 125 (public trial); Criminal Procedure Law of the PRC, Article 92 (custody not to exceed two months without charge, providing one-month extension), Article 111 (public trial).

¹³Asia Watch, *Punishment Season: Human Rights in China after Martial Law*, chapter 2, "Death Sentences and Executions," pp. 83-86.

criminatory treatment of workers and students detained since June, 1989; in all reported cases, workers have received harsher punishment.

The central concern of international human rights monitors with respect to China over the past year has been the arbitrary arrest and detention of thousands of participants in the 1989 protest movement.⁸ In June and July, 1989, a nationwide hunt for protesters was undertaken, complete with a "most wanted" list of the chief organizers of the demonstrations in Tiananmen Square. Although the authorities eventually admitted to taking 6,000 people into custody, unofficial sources estimated that as many as 10,000 were arrested in Beijing alone, and at least twice as many in other parts of China.⁹ Many were released shortly after being detained, but others languished in custody without charge or trial, held incommunicado, for almost a year.

Complaints of torture and ill-treatment by jailers circulated widely during the months after the arrests of the summer of 1989. Severe beatings, assaults with electric cattle prods, handcuffing and suspension by the arms from the ceiling of cells have been reported. Political prisoners have been turned over to ordinary criminal offenders for abuse during their incarceration.¹⁰ Many people initially interrogated who were not ultimately detained or arrested have been roughed up by police and security forces before being released. Such action was clearly intended to intimidate the Chinese masses.

The right to a fair public trial was abrogated in hundreds, if not thousands, of cases. In some cases, detainees were given administrative penalties—which may include sentences as severe as three years' imprisonment at a labor reform institution—to circumvent the procedural requirements of China's criminal law.¹¹ Due process provisions of China's 1982 constitution and Criminal Procedure Law require that public trials be held within two months of taking a defendant into custody. These provisions were seldom honored in cases involving the participants in the democracy movement.¹²

Almost all the demonstrators found guilty of serious crimes in connection with the democracy protests (setting fire to trucks, tanks or railroad equipment, stealing military goods or assaulting soldiers) who were sentenced to death were executed with brutal efficiency after brief trials that afforded few procedural protections. Defense counsel made little effort to contest the defendants' guilt, the mandatory appeal of the death sentence was decided—against the defendants—in one or two days, and the details of the charges and the judgments convicting the defendants were never made public, even to their families.¹³

In their zeal to capture participants in the democracy demonstrations, Chinese police investigators

also trampled on the constitutional rights of privacy, family, association and correspondence. Warrants were seldom obtained before raids on the homes and businesses of suspected "counterrevolutionaries." Mail was confiscated and read, telephone conversations were monitored and covert videotaping was carried out to document the "criminal" activity of those detained or wanted for questioning.¹⁴ The rights of peaceful assembly and protest and of association were dealt serious blows in late 1989 and early 1990 by the enactment of laws that severely restrict the ability of citizens to organize parades and demonstrations.¹⁵

After more than a decade of greater religious freedom, which included the reopening of many churches, mosques and temples that had been closed because of the anti-religious and anti-foreign fervor of the Cultural Revolution, 1989-1990 witnessed extensive new restrictions on religious activities. Despite the constitutional protection of religious practice contained in Article 36 of the 1982 constitution, the Chinese government has limited the exercise of that constitutional right to officially recognized, government-controlled religious institutions—ostensibly to prevent foreign "domination" of Chinese believers. Religious proselytizing is tightly constrained; no foreign missionary work is tolerated. Buddhists, who are the largest group of religious believers in China, have been given the greatest latitude; but Tibetan Buddhism, with its political overtones resulting from the Dalai Lama's primacy as a religious figure, has been subjected to intensive scrutiny.

The significant development with respect to religion in 1989 and 1990 has been the detention of Catholic priests and a campaign to wipe out the underground Catholic church, which continues to resist state regulation. More than 30 Roman Catholic priests, bishops and lay people who have remained loyal to the Vatican since China's establishment of an official Catholic Patriotic Association in the

1950's were arrested in various provinces of north China in late 1989 and early 1990.¹⁶ They have joined other long-term prisoners, both Catholic and Protestant, who have been sentenced for "counter-revolutionary" activities in distributing religious publications, conducting religious services outside the state-regulated churches and remaining loyal to ecclesiastical authorities outside China.

A universal population registration system, which uses identification cards to restrict the movement of Chinese citizens in their own country, was ordered in September, 1989; public security officials intensified the checking of residents' identification cards, which they are now required to carry. This system, which had been under partial, experimental use for several years, was mandated in order to close the avenues through which prominent dissidents evaded capture during the summer and fall of 1989.¹⁷

Although the public security dragnet aided the arrest of several of the most wanted fugitives, the Chinese government was greatly embarrassed by the escape to the West of leaders like Wuer Kaixi, Yan Jiaqi and Chai Ling. In addition, rumors have persisted that China intends to limit severely the number of citizens, including university students and recent graduates, who will be allowed to study overseas. In August, 1989, 500,000 college graduates were sent to "grass roots" organizations—mostly in remote rural locations—for one or two years of reflection and indoctrination; many Chinese students who had expected to be sent abroad for further education believe such opportunities have evaporated.¹⁸ The highly publicized decision to send the entire freshman class of Beijing University to a military academy in Shijiazhuang added to these fears. Ideological orthodoxy, not study abroad, is the current vogue.

The low status of women in China has continued to be illustrated by press reports of violence against women, including wife beating, the purchase and sale of brides, the abuse of female children and even female infanticide. The Chinese government has strongly condemned these practices and has attempted to curb them, with limited success. Little use has been made, however, of legal mechanisms that might stem the traditional tolerance for abuse of women. Some commentators, both Chinese and foreign, view the phenomenon as an unfortunate effect of economic and social changes set in motion by a decade of reform; peasants seeking ways to make money in a more market-oriented economy, who enjoy greater geographic mobility, are reported to be the prime offenders.

TREATMENT OF MINORITIES

China's ethnic minorities have spent much of the

¹⁴United States Department of State, "China," in *Country Reports on Human Rights Practices for 1989*, pp. 807-808.

¹⁵Law of the PRC on Assemblies, Parades and Demonstrations, adopted October 31, 1989, translated in FBIS, November 1, 1989, p. 16; Procedures of Beijing Municipality for Implementing the "Law of the PRC on Assemblies, Parades and Demonstrations," adopted December 28, 1989; Procedures of Shanghai Municipality for Implementing the "Law of the PRC on Assemblies, Parades and Demonstrations," adopted January 9, 1990; and Measures of Fujian Province for Implementing the "PRC Law Governing Assemblies, Parades, and Demonstrations," adopted January 9, 1990. See also the article by David Bachman in this issue.

¹⁶Amnesty International, *Catholics Imprisoned in China: Recent Arrests and Long-Term Prisoners*, April, 1990.

¹⁷United States Department of State, "China," in *Country Reports on Human Rights Practices for 1989*, pp. 816-817.

¹⁸Ann Scott Tyson, "Tiananmen Nightmare Lingers," *Christian Science Monitor*, November 30, 1989, p. 6.

past year protesting their treatment, particularly in Tibet—despite the imposition of martial law in March, 1989—and Xinjiang province. Their underlying resentment is that Han Chinese authorities, supported by sizable contingents of the People's Liberation Army, rule without regard for minority interests in China's so-called "autonomous regions." Meaningful political autonomy, along with religious and cultural freedom, are the chief goals of Tibetan Buddhists and Xinjiang's Muslim Uyghurs; since the reaction to the democracy movement, national minorities sense that the drive to impose Chinese culture and majority values on them is being carried out more forcefully.¹⁹

Despite the lifting of martial law in Tibet on May 1, 1990, international observers have noted little easing in Chinese repression there and little improvement in the anti-Chinese attitudes of the local population. Diplomatic commentators believed that the decision to lift martial law might be aimed at influencing world opinion, particularly in the United States, where China's MFN status was then being debated.²⁰

In Xinjiang, where protests against Han Chinese dominance have been more sporadic than in Tibet, rioting broke out in April, 1990, that greatly disturbed the Chinese leadership in Beijing. Under the influence of a nationality independence movement in Soviet Central Asia, some minority nationalities in Xinjiang began demonstrating and organizing small-scale mass rallies; these soon escalated into larger riots. Estimates of the troops needed to quell the rioting ranged as high as 200,000; regional airports were closed to facilitate troop transfers, and foreign reporters were ordered out of Xinjiang. One hundred people may have died.²¹ Chinese central government leaders have denounced the activities in Tibet and Xinjiang as separatism, fomented by hooligans and others interested in exploiting local instability.

A resurgence of interest in independent labor unions was one of the by-products of the democracy movement of 1989. In almost every major city in China, Workers' Autonomous Federations (WAF) were formed; Beijing's WAF claimed to represent over 100,000 workers from 40 industrial enterpris-

es. WAF leaders sought the right to organize workers independent of the All-China Federation of Trade Unions, the only legal national labor organization, which operates under the close control of the Chinese Communist party. Other concerns expressed by the dissident workers were bureaucratic corruption, wage differentials between workers and managers, workplace democracy and inadequate industrial safety and working conditions. The alliance of these workers' associations with the student demonstrators is believed by many observers to have prompted the government to order its troops into Tiananmen Square on June 3-4, 1990. During the massacre, Beijing WAF members suffered many of the casualties.²²

INTERNATIONAL MONITORING

The extensive evidence of Chinese violation of human rights initiated international campaigns to examine the nature and the extent of China's abuses and to press for moderation if not an end to suppression. In the forefront of these campaigns were the nongovernment human rights organizations, like Amnesty International and Asia Watch, which had previously detailed China's human rights record as part of their regular monitoring activities. More significant in their impact were the decisions of other bodies that had ignored or remained silent about the human rights situation in China to join in the condemnation of the Beijing massacre and to issue their own accounts.

A subcommission of the United Nations Human Rights Commission voted in Geneva in August, 1989, to have the full commission examine charges that China had brutally suppressed the pro-democracy movement in violation of the Universal Declaration of Human Rights. The commission also appealed for clemency for those arrested in connection with the demonstrations. Ultimately, the full commission refused to criticize China, but authorized a debate about China's human rights record at its next annual meeting; still, this was the first time a permanent member of the UN Security Council was censured in a UN forum for its human rights performance.

The criticism most threatening to China's interests came in the devastating report of the United States Department of State's Bureau of Human Rights and Humanitarian Affairs, in its annual *Country Reports on Human Rights Practices*. In a 24-page report, the State Department condemned the Chinese government for the Beijing massacre, the killings and the indiscriminate use of force in Tibet and the severe restriction of virtually all internationally recognized human rights.²³ The candid and highly unflattering picture was all the more surprising in light of the Bush administration's previous

¹⁹See e.g., International Committee of Lawyers for Tibet, *Report on the Current Situation in Tibet*, 1990, pp. 5-6. See also Urumqi Xinjiang Television Networks, "Counterrevolutionary Activities under a Religious Banner Are Absolutely Prohibited," reported in FBIS, May 15, 1990, p. 62.

²⁰Lena H. Sun, "Human Rights Abuses Said to Mount in Tibet," *Washington Post*, May 29, 1990, p. A18.

²¹Wu Su-li, "The 'Jihad' Bloodbath in Xinjiang," *Hong Kong Kai Fang*, May 15, 1990, pp. 13-14, translated in FBIS, May 21, 1990, pp. 57-59.

²²United States Department of State, "China," in *Country Reports on Human Rights Practices for 1989*, p. 822.

²³*Ibid.*, p. 802.

overtures to the Beijing government. China's reaction was swift and vehement; it accused the United States of slander and distortion and accused the author of the report of "reporting lies and clichés about the 'Beijing massacre' and 'nationwide suppression,' disregarding the truth."²⁴ The Chinese ambassador to the United States, Zhu Qizhen, forwarded a protest to the State Department.

In the subsequent months, the real source of China's chagrin at the United States human rights report became evident; critics of China's human rights record hoped to use the report as grounds for denying an extension of MFN trade status for China. The United States Congress, frustrated by President Bush's China policy and angered by the continuing repression and anti-American rhetoric emanating from China, seemed ill-disposed to extending MFN status; but having been once burned in its attempt to override the President's veto of a bill protecting Chinese students, Congress showed little appetite for another showdown when President Bush extended China's MFN status for another year in late May.²⁵

REPERCUSSIONS IN WASHINGTON

The most surprising repercussion of the Beijing massacre was the acrimonious debate between the executive and the legislative branches of the United States government and in academic and journalistic circles. President Bush's limited response in sanctioning China, along with the secret and public trips of his high-level emissaries to China, were characterized—not solely by partisan opponents—as "kowtowing" to the Chinese leadership. Vicious editorial cartoons depicted an obedient American

*Editor's note: After the Communist victory in China in 1949, Senator Joseph McCarthy (R., Wisc.) led attempts to identify and excoriate suspected Communists; he and other conservatives believed that the Chinese Communists prevailed because of support from American leftists in the State Department.

²⁴*Renmin Ribao* (People's Daily), report from Washington, February 22, 1990, p. 6.

²⁵But see Susan F. Rasky, "Bush Nudges China on Anniversary of Crackdown," *The New York Times*, June 5, 1990, p. A9 (expressing concern about China's lack of progress in restoring human rights).

²⁶Executive Order 12711, "Policy Implementation with Respect to Nationals of the People's Republic of China," 55 Federal Register 13,897 (April 11, 1990).

²⁷A. Doak Barnett, "Increasingly, Bush Seems Right on China," *The New York Times*, January 21, 1990, p. 21; Michel Oksenberg, "Bush Is Right on China," *The New York Times*, December 13, 1989, p. A31; Anthony Lewis, "Trahison des Clercs," *The New York Times*, March 9, 1990, p. A35; Mark P. Petracca, "Don't Encourage a China Hostile to Freedom," *The New York Times*, January 6, 1990, p. 24.

²⁸See e.g., "Law Professor Denounces 'Absurd Arguments' on Human Rights," Xinhua News Agency, March 26, 1990, in British Broadcasting Corporation, *Summary of World Broadcasts*, April 4, 1990, FE/0730, p. B2/1.

President accepting instructions from a patronizing Deng Xiaoping, as well as National Security Adviser Brent Scowcroft prostrating himself and kissing Deng's feet. Despite President Bush's promise that protection for Chinese nationals in the United States equivalent to those contained in congressional legislation would be enacted administratively, he was embarrassed into signing an executive order to that effect.²⁶ When President Bush made a statement on the anniversary of the June 4 killings, Senate Majority Leader George J. Mitchell (D., Maine) accused the President of ignoring the anniversary and helping China's rulers to rewrite history.

Similarly, among China specialists, government officials and newspaper columnists, there was considerable controversy related to the presidential policy with respect to China. Distinguished experts praised the policy and were taken to task by critics; in a few cases, the condemnation went beyond the bounds of normal discussion of policy alternatives.²⁷ Those who proposed maintaining a wide range of contacts with China ran the risk of being accused of lacking concern for human rights by those who advocated a harsher stance.

Lost in the crossfire was any understanding that proponents of both policies wanted to preserve United States interests, including democratic values, notwithstanding their considerable disagreement. Not since the arguments over recognition of China, or perhaps the earlier ugliness about "Who Lost China?" during the McCarthy era,^{*} have emotions over China run so high in the United States. The lingering effects of these concerns, rooted in human rights issues, will probably be felt for years to come in the foreign policy arena.

On China's part, the controversy over human rights has also sparked a defensive rethinking of the proper role of human rights in international relations. Academic and diplomatic specialists were marshaled in early 1990 to counter the allegations contained in the UN subcommission and State Department reports on China. They denounced the contents and defended the Chinese record; but they were also moved to distinguish a separate Chinese—or in some cases socialist—position about human rights issues.²⁸

Their claims fall into three categories: that a

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BOOK REVIEWS

ON CHINA

CHINA AND ITS NATIONAL MINORITIES: AUTONOMY OR ASSIMILATION? By *Thomas Heberer*. (Armonk, N.Y.: M.E. Sharpe, Inc., 1990. 131 pages, notes, glossary, bibliography and index, \$39.95.)

Although the minority population in China comprises only about 6 percent of the total population (the majority are Han), its importance goes beyond its numbers. Not only are many of the 55 recognized minority nationalities ethnically non-Sinitic, but groups like the Uygur, Kazakh and Kirghiz have traditionally lived in areas that are now sensitive border regions. The Chinese government declares that all the nationalities are equal in legal terms, but it accords special rights and privileges to minority nationalities in order to retain their allegiance. How these two policies are balanced and what the actual results have been form the parameters of this volume.

Using Yunnan province as a case study, Heberer examines the interplay between the official policy toward minorities and the process of economic reform. The sensitivity of the Chinese government to minority groups has resulted in exemptions for minorities from stringent policies applied to Han people, in particular, those relating to population control and religious practice.

Like other policies, China's nationality policy has been affected by the twists and turns in the political climate. Heberer concludes, however, that the minorities blame the oppression, discrimination and coercion not simply on the Communist party but on the Han and "their party." Improving the economy can help to improve relations between the Han and the minorities but cannot obliterate the fundamental distrust that the minority holds toward the majority, in spite of official efforts to root out "Han chauvinism." The author sees political liberalization as the only path to real improvement for China's national minorities.

Debra E. Soled

THE ILI REBELLION: THE MOSLEM CHALLENGE TO CHINESE AUTHORITY IN XINJIANG, 1944-1949. By *Linda Benson*. (Armonk, N.Y.: M.E. Sharpe, Inc., 1990. 184 pages, appendices, notes, glossary, bibliography and index, \$45.00.)

Linda Benson examines the short-lived rebellion by Muslim Turks in Yining near the Sino-

Soviet border at a time when Chinese central authority, under Generalissimo Chiang Kai-shek, was weak in the outer reaches of the territory. The number of rebels vastly exceeded the government's troops; after winning control of Yining, the rebels declared the establishment of the East Turkestan Republic in 1944, with the stated objective of ousting the Chinese and regaining an Islamic homeland.

In spite of negotiations with Chiang and the signing of a peace agreement in 1946 (which was never implemented), the rebels mounted an effective challenge to Chinese authority. Chiang's failure to bring the Turkic Muslims to heel opens to speculation the possibility that the venture to establish the ETR might ultimately have succeeded except for the Communist victory in 1949.

The nationalism that fueled the rebellion was not a flash in the pan, but the manifestation of sentiment that had been nascent for almost 100 years. Chiang's policies in Xinjiang (military interference in local government and efforts to make Xinjiang's relationship to Beijing conform to that of other provinces) alienated the non-Sinitic Turkic people further. The nationality policies adopted by the People's Republic were no doubt designed with the intention of preventing a similar rebellion. With documents newly available, Benson has clarified an important chapter in modern Chinese history, a sideshow in the disintegration of the Chinese republic and a harbinger of potential challenge to any Han-dominated government.

D.E.S.

CRIES FOR DEMOCRACY: WRITINGS AND SPEECHES FROM THE 1989 CHINESE DEMOCRACY MOVEMENT. Edited by *Han Minzhu*. (Princeton, N.J.: Princeton University Press, 1990. 385 pages, indexes, \$12.95, paper; \$35.00, cloth.)

This volume, edited by the pseudonymous Han Minzhu, contains translations of the speeches and writings of the 1989 democracy movement in China, including handbills, poems, official statements, articles from non-official journals and newspapers, and interview transcriptions. Photographs and commentary describing the chronology of events provide the context for the assortment of translations. The dissident Yan Jiaqi, now exiled, wrote the preface; eminent China scholar Jonathan Spence

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SINO-AMERICAN RELATIONS

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China would leave the President considerable room to maneuver. The lengthy amendment on China to the State Department authorization bill, which the Senate passed in late July, codified the sanctions against China already imposed by the President and added the following actions: it suspended new programs to guarantee United States investments in China; suspended licenses for crime control and detection equipment; suspended export licenses for United States satellites scheduled for launch on Chinese launch vehicles; suspended peaceful nuclear cooperation with China; and required the President to negotiate with the Coordinating Committee for Multilateral Export Controls (CoCom) to suspend the further liberalization of export controls on technology for China. The bill provided enough waiver authority to make it acceptable to the administration. Meanwhile, in July and August, the House and Senate respectively passed the Emergency Chinese Immigration Relief Act (HR-2712), which would have made it possible for Chinese students in the United States to extend their stays for up to four years.

The Bush administration and many in Congress privately pressed the Chinese authorities to take actions that would improve the strained atmosphere in Sino-American relations. Suggested steps included easing martial law in Beijing; showing greater flexibility in the case of dissident Fang Lizhi;[†] allowing United States Fulbright professors to resume work in China; halting the periodic jamming of VOA (Voice of America) broadcasts to China; and allowing the United States Peace Corps to begin its volunteer program in China. As gestures to China in the interest of preserving United States-Chinese relations, in late July, 1989, the administration granted waivers to the suspension of military sales to allow the sale of four Boeing commercial jets with navigation systems that could be converted to military use. In October, 1989, the administration permitted Chinese military officers to return to work at United States facilities where they had been assisting United States engineers in upgrading China's F-8 fighter with American avionics. On November 30, the President let it be known that he would pocket veto the Emergency Chinese Immigration Relief Act, maintaining that the bill was unnecessary since he was ordering into practice many of its provisions.

Although there was considerable grumbling in Congress and the media over the President's "soft" approach to China, the debate over China policy reached a fever pitch after the December 9-10,

[†]Editor's note: Fang was released on June 25, 1990.

1989, visit to Beijing by a United States delegation led by National Security Adviser Scowcroft and the disclosure a few days later that a similar United States delegation had secretly visited Beijing in July, 1989. The administration mustered several arguments for its initiatives:

- Because China and the world are in a period of major transition, the United States needs to sustain a productive dialogue with China to deal with relevant issues.
- Excessive United States pressure against China is adverse to growing United States economic interests in China.
- Chinese intellectuals are seen as divided over the wisdom of continued United States pressure on the current Beijing leadership. Many opposed United States pressure.
- United States allies, especially those in Asia, are seen as generally supportive of United States initiatives to improve relations with China.
- The Scowcroft visits provided a face-saving means for the beleaguered leadership in Beijing to pull back from its recent repressive policies.

Critics in Congress, the media and elsewhere denounced the President's actions and asked Congress to take stronger action when it convened in late January. Arguments focused on several points:

- Political repression in China continued despite some easing of martial law in Beijing in late 1989.
- Resuming high-level contacts and other business with Chinese leaders disassociated the United States from Chinese proponents of greater political reform and democracy.
- Exempting China from usual United States treatment regarding human rights served only to solidify the grip of hardliners in Beijing.
- Special United States consideration of China was no longer needed in order to ensure Chinese cooperation with the United States against the international danger posed by Soviet expansion. Soviet reforms and the turmoil in East Europe were likely to curb any such Soviet expansion for some time. And China was likely to remain preoccupied internally and unlikely to disrupt Asian stability.

Despite the storm of criticism, President Bush continued his moderate approach during December. On December 19, he waived restrictions prohibiting export licenses for three United States communications satellites to be launched on Chinese launch vehicles, and he announced that he would not impose the new restrictions on Export-Import Bank funding for China that Congress had enacted earlier.

As Congress prepared to reconvene in late January, 1990, amid a chorus of media comment call-

ing for tougher action against China, it was clear that the President had miscalculated and would have to adjust his policies. For one thing, Chinese leaders had proven unable or unwilling to make gestures to the United States that were seen to be of sufficient importance to justify the President's actions. The Chinese government ended martial law in Beijing, but a major police presence remained; some prisoners were released but they were only a small fraction of those thought to be held. The Chinese promised not to sell medium-range ballistic missiles to any Middle East countries, but this was widely seen as a repetition of previous promises. By late February, President Bush personally expressed disappointment with China's response.¹⁰

It was also clear that changes in international politics and United States domestic politics had restricted the President's flexibility in foreign affairs in general and toward China in particular. He would have much greater difficulty than previous Presidents in arguing for secret diplomacy, special treatment or other exemptions that had marked United States treatment of China since Secretary of State Henry Kissinger's secret trip in July, 1971.

AMERICAN MORALITY

The American people, media, interest groups and, to a considerable degree, United States legislators traditionally place a strong emphasis on morality or values as well as realpolitik or national interest in American foreign policy. The Tiananmen massacre sharply changed American views about China.¹¹ Instead of pursuing policies of political and economic reform, the leaders in Beijing were widely seen as following policies antithetical to American values and therefore unworthy of American support. Rapidly changing United States-Soviet relations also meant that there was no longer a realpolitik or national security rationale of sufficient weight to offset the new revulsion with Beijing's leaders and their repressive policies.

The other side of the world, meanwhile, saw political, economic and security changes that attracted wide and generally positive attention from the American people, the media, interest groups and legislators. East Europe and the Soviet Union were increasingly following policies of reform in their government structures and economies that seemed to be based on the values of individual freedom, political democracy and economic free enterprise. As a result, Americans tended to push United States government decision-makers to be more forthcom-

ing in negotiations and interaction with their East European and Soviet counterparts with regard to arms control, trade, foreign assistance and other matters.

The importance of this shift in domestic United States opinion regarding China and the Soviet bloc countries appeared to be of greater significance than it might have been in the past in determining the course of United States foreign policy. Since the start of the cold war, the executive branch had been able to argue (on many occasions persuasively) that domestic concerns about common values should not be permitted to override or seriously complicate United States realpolitik interests in the protracted struggle and rivalry with the Soviet Union. When it was widely believed that the cold war was ending and the threat from the Soviet Union was greatly reduced, the ability of the executive branch to control the course of United States foreign policy appeared somewhat weakened. The administration could no longer argue that the dangers of cold war confrontation required a tightly controlled foreign policy.

Partisan politics also complicated President Bush's ability to sustain a more moderate policy toward China. Partisan opponents seemed anxious to portray the President and his Republican backers as more sympathetic to the "butchers of Beijing" than to Chinese students and other prodemocracy advocates. Ironically, it appeared to be partisan politics that allowed the President to avoid an embarrassing defeat at the hands of the Democrat-controlled Congress, which took up the proposed override of the President's veto of the Chinese immigration measure as its first order of business in January, 1990. By arguing for support for the Republican President from wavering Republican Senators in the face of a barrage of often partisan criticism from Democrats, White House lobbyists were able to gain enough votes to sustain the President's veto on January 25, 1990.¹²

The unanticipated defeat of the Democratic leadership's override effort had a sobering effect. During the winter of 1989 and the spring of 1990, congressional leaders did not go out of their way to challenge the President's China policy as long as President Bush avoided major initiatives or exceptions in dealing with China. In February, the President signed the State Department authorization bill that contained a version of the sanctions language passed by Congress the previous summer, and the administration delivered a hard-hitting report on conditions in China as part of its annual human rights report to Congress.

More notably, the administration adopted a low public profile on what was expected to be a major issue of controversy—the annual waiver of provi-

¹⁰See the review of United States policy toward China in the *Washington Post*, March 7, 1990.

¹¹See discussion in *Crisis in China: Prospects for U.S. Policy*.

¹²Discussed in *National Journal*, February 24, 1990, pp. 445-449.

sions under the Jackson-Vanik Amendment of the Trade Act.* The waiver is required for Chinese goods to receive MFN tariff treatment by the United States. Loss of MFN would lead to immediate heavy duties on China's \$12-billion worth of annual exports to United States markets—in effect closing much of the United States market to Chinese goods. The last waiver was granted in late May, 1989, and the 1990 waiver was due by June 3—coincident with the first anniversary of the Tiananmen pro-democracy demonstrations and the subsequent crackdown.

Congress, the media and various human rights groups were widely expected to attack any early administration decision to grant a waiver for China. Faced with this likelihood, the administration delayed, refusing many opportunities to stake out a position on the issue and refusing to appear at public forums addressing the question. This had the effect of forcing Congress, the media and interest groups to address the issue themselves. After deliberations, many critics of Bush administration policy toward China nonetheless came out in favor of granting, with appropriate conditions, MFN treatment for Chinese exports.¹³ As a result, in mid-1990 the administration's decision to grant a waiver for China—finally announced on May 24—was not stopped by congressional action.

There was little sign in mid-1990 that the problems of United States-Chinese relations would ease quickly. Leaders in Washington and Beijing with an interest in Sino-American relations seemed likely to continue to face important challenges in 1990–1991 in trying to avoid further decline. Events in China, East-West relations and United States attitudes toward China had changed markedly in 1989–1990, and they remained fluid.

PROSPECTS

Optimists speculate that strong American interest in China will revive once China returns to a path of political reform and economic liberalization. But prospects for reform in China depend on many factors, not the least of which is the status of China's leadership now dominated by a clique of octogenarians led by Deng Xiaoping.

There is also no guarantee that American interest in a reforming China in the 1990's will be as strong as it was in the 1980's. Changes in the Soviet bloc and in United States-Soviet relations have undercut a substantial part of the strategic imperative behind

United States policy toward China. These changes have absorbed American political and economic interests that in the past might have focused on China. In this new international environment, it will probably be more difficult to generate popular enthusiasm or special United States government programs to support United States relations with China. ■

CHINESE POLITICS

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ty of the population toward the regime, which finds its most acute expression in widespread passive resistance, imposes severe costs. Productivity and efficiency are low. The government cannot count on the goodwill of the population; consequently the state must rely on material rewards or punishments as incentives to persuade people to work harder. But coercive policies are not very effective in motivating effective industrial administration and scientific and technical creativity, and material rewards are of limited use when people would prefer to leave the country and when the government is urging an end to excessive consumerism. Social and economic stagnation are the end result of the government's inability to demonstrate and effect positive changes, or to compel or reward people for working hard.

OUTLOOK

China's short- and medium-term prospects are poor. The leadership appears locked in a power struggle; policy is drifting pending the death of the octogenarians and the resolution of the infighting among the younger leaders.¹⁸ Fundamental questions about the economy and leadership remain stalemated as each group waits for the others to weaken first, pending the death of the leading patriarchs. However, given the advanced age of all the elders, it is likely that none of them will survive very long. The power and authority gap between the 80-year-olds and the 60-year-olds is wide, and no matter what political maneuverings take place before the last elder dies, the younger leaders are likely to face more active opposition from elements in the government that are hostile to their preferred policies and from society at large. This general situation fundamentally conditions the three most likely scenarios for China's future.

The three scenarios are an East European-style political transformation; continued stagnation; and national disintegration, or warlordism. Continued stagnation (or maintenance of party rule) requires two conditions that many of the party's leaders rec-

¹⁸See, for example, Nicholas D. Kristof, "China's Future on Hold with a 'Gang of Elders,'" *The New York Times*, June 3, 1990, p. 20.

*Editor's note: The 1984 amendment linking favorable tariff treatment to emigration performance was authored by Senator Henry Jackson (D., Wash.) and Congressman Charles Vanik (D., Ohio).

¹³Winston Lord, "Bush's Second Chance on China," *The New York Times*, May 9, 1990.

ognize, whether they are 80 years old or 60. These are "stable unity" in the elite and the state's ability to continue to muster overwhelming force against all opponents. Thus, as long as power struggles are contained or minimized and the army and the police remain loyal to the state, there is little or no prospect of regime change. However, the first condition (elite stability and unity) is unlikely to persist for very long. The second condition (military and police support for the regime) is almost impossible to predict. There were many members of the military and the police who were opposed to shooting unarmed people; it is not clear whether they have all been purged or removed from the organs of coercion.¹⁹ It also remains unclear whether younger officers have drawn their own lessons from June 4, 1989, and will never again consent to being used against the Chinese people. In any case, a succession struggle will probably split the army and police into contending factions that support different elite candidates for supreme power and makes it unlikely that the state will be able to count on the police and the military.

If elite unity disintegrates into open power struggles, one of the two following scenarios will most likely reflect China's political future. In the first, optimistic view, a popular or combination of popular and state forces successfully launches a democratic revolution, and institutes sweeping changes that lead to a market economy and political democracy. Such a change may come about if one of the contenders for power feels it is necessary to call on the people to help him win power. He tacitly or explicitly promises them change in exchange for their support. If he wins, he may try to renege on his promises and reinstitute one-party rule, but while some suppression of the population is possible, in the long run this option is unlikely to work because the military and police (already split by the power struggle) will not respond effectively to orders to crack down.

It is impossible to predict whether such a democratic revolution will take the peaceful form of the East European nations (except Romania), or whether (like Romania) large amounts of blood will be shed before the forces of change prevail. Such a prediction depends on cleavages in the military and police and how they respond to power struggles. This author's hypothesis is that if a democratic revolution breaks out, it is more likely to resemble the Romanian experience because many elements of the military and the police will side with conservative forces.

The other major scenario is national disintegration or warlordism. A democratic revolution is at-

tempted, but it fails. Power gravitates into the hands of the organs of suppression because of their possession of weapons. But the military and police split internally, with various regions not responding to the nominal central party (or military) leadership in Beijing. Civil war continues until one side or one set of forces finally succeeds in reunifying the country. The nature of that reunification and the length of time reunification takes (and how many lives it will cost) are impossible to foresee.

China's experience under Communist rule has long confounded all the predictions and forecasts of foreign observers and China scholars. In the past, observers were too quick to posit fundamental regime change or evolution along current lines. At present, conditions in China appear to favor fundamental change. The state and the society face basic problems that the current system of rule seems incapable of addressing. Coupled with these policy dilemmas is the overriding struggle for political power within the elite. The power struggle and the need to make fundamental policy choices about the nature of the regime and the political economy indicate a prescription for great change, but such a change may not happen as quickly as might be expected, hoped or feared. ■

CHINA'S ECONOMY

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in Fujian province, rose steadily in 1988 and 1989, even after the June 4 Tiananmen massacre. In 1989, Taiwanese invested about \$400 million in Xiamen, accounting for more than half the total foreign investment in that city. Total Taiwanese investment in the mainland exceeded \$500 million in 1989, more than double the investment in 1988.

To lure more Taiwanese capital, the Chinese government contemplated a set of new open door policies. The first step was to amend the 1979 foreign joint venture law. The amendments were approved on April 4, 1990, by the National People's Congress. The most important change was the elimination of the time limit on Sino-foreign contracts. Under the original version of the law, the maximum period of a contract with a foreign partner was 30 years, after which the joint venture passed into Chinese hands. The new amendment grants an unlimited time period to foreign owners of joint ventures.

In another amendment, the nationalization of joint ventures is to be avoided except in exceptional circumstances, in which case "appropriate compensations shall be made." Moreover, foreign partners (Taiwanese investors are treated as foreigners) will be allowed to become chairmen of joint ventures' boards of directors. Most of these changes are in-

¹⁹Tai Ming Cheung, "Power of the Gun," *FEER*, September 21, 1989, pp. 19-20; and Tai Ming Cheung, "Rank Insubordination," *FEER*, February 1, 1990, p. 22.

tended to court Taiwanese rather than Western or Japanese investors.¹⁶

The second step to attract Taiwanese capital is the announcement in March, 1990, of a plan to develop a new investment zone in Shanghai, the Pudong zone, east of the Huangpu River. During the past decade, Shanghai has been somewhat neglected by foreign investors because the focus for investment was in the four SEZ's in Guangdong and Fujian provinces. With the blessing of Jiang Zemin, a former mayor of Shanghai, Shanghai officials recently revealed an ambitious plan to build Pudong into an advanced industrial zone to attract capital and technology from Taiwanese and overseas Chinese. The new area covers 150 square kilometers with another 50 square kilometers reserved for future use. Pudong will concentrate industries into five distinct districts and encompass a harbor on the Yangtze (Changjiang) River eventually to include 44 berths, as well as petrochemical and energy industries, warehouses and an export-processing area. The first phase of construction is expected to be completed by 1995. A 10-point preferential policy for foreign investors was announced by Shanghai's mayor, Zhu Rongji, on May 1. The Shanghai authorities are aggressively advertising the new project in order to attract interest from overseas Chinese.

The third major step is the opening of Haicang Island near Xiamen as a Taiwan Investment Zone. Haicang covers an area of 61.2 square kilometers, with a population of 35,000 and a deep-water harbor that can accommodate cargoes of 50,000 to 100,000 tons. In October, 1989, Chinese authorities invited Y.C. Wang, chairman of the Formosa Plastics Group Conglomerate in Taiwan and a leading entrepreneur in petrochemicals, to visit China. Negotiations between Wang and the Chinese government are continuing. The Chinese government reportedly offered Wang a large tract of land at one-thirtieth of its market value and granted him a special tax allowance. In return, Wang promised to invest \$7 billion in Haicang to build a huge petrochemical complex including a modern mophtha cracking plant that would produce ethylene and other products vital to downstream petrochemical plants.¹⁷ To accommodate Wang's ambitious project, the Chinese government

will spend \$5 billion to build railroads and a power station to improve the infrastructure. When materialized, the deal will be the greatest achievement of the new open door policy.

While the retrenchment plan has broken the inflationary spiral, the Chinese economy still faces many problems. Notable among them are an imbalance between aggregate demand and aggregate supply, a lopsided national economic structure, deterioration of the ratio between land and population and a lack of leadership in economic reform and development.

After five years of exponential growth in investment and consumption, the gap between aggregate supply and aggregate demand has widened from Y26.5 billion in 1983 to Y224.3 billion in 1988, underlying the soaring inflation.¹⁸ During the past year, this discrepancy has eased slightly, but because the problem has been building up over many years, it cannot be solved overnight. The general imbalance has created Y80 billion (\$22 billion) in domestic debt, \$42 billion in foreign debt and Y700 billion (\$188 billion) in individual surplus purchasing power in the form of savings deposits, cash and bonds.¹⁹ Loosening controls over money and credit may soon touch off a new inflationary spiral.

The lopsided economic structure is marked by stagnant agricultural production and wildly growing industry. While the processing industry, rural enterprises and urban small businesses forged ahead during the past decade, the development of large energy and infrastructure enterprises slowed considerably. The energy and raw materials industries were not in balance with other industries and the situation was worsening. The share of the energy industry in total industrial output declined from 14.1 percent in 1978 to around 10 percent in 1986-1988. The ratio between the raw material industry and the processing industries rose from 1:0.96 in 1978 to 1:1.67 in 1988. The critical shortage of energy and raw materials prevented further advance of the processing industries and became a bottleneck in the economy.²⁰

Population growth and agricultural stagnation remain the most difficult problems for the Chinese economy. Between 1984 and 1989, China's grain output was static and output for cotton and oil-bearing crops declined. While its population grew by at least 60 million people, the output of grain per capita dropped from 394 kilograms to 362 kilograms. At the present rate of population growth, each year China has about 15 million new mouths to feed. At the same time, the amount of China's cultivated land has been shrinking at a rate of between 200,000 and 300,000 hectares annually. The net result is a rising discrepancy between food supply and demand.²¹

¹⁶*Beijing Review*, vol. 33, no. 19 (May 7-13, 1990), pp. 28-32.

¹⁷*The Free China Journal* (Taipei), April 14, 1990, p. 2.

¹⁸State Statistical Bureau, "Economic Structural Imbalance, Its Causes and Correctives," *Beijing Review*, vol. 32, no. 36 (September 4-10, 1989), pp. 22-28.

¹⁹Liu Guoguang, "Retrenchment, a Boom to Reform," *Beijing Review*, vol. 33, no. 3 (January 15-21, 1990), p. 19.

²⁰*Ibid.*

²¹*China Today* (Beijing), April, 1990, p. 15. See also the article by Vaclav Smil in this issue.

Chinese leaders are aware of these fundamental problems but have provided no blueprint for their solution. After the Tiananmen tragedy, most reform leaders were purged. Many prominent economists and social scientists were exiled or rusticated. The loss of the brain trust of the reform camp has deprived the country of the service of its best minds. In the wake of the Tiananmen bloodshed, most of the measures announced by the new leaders were simply restyled statements of threadbare policies implemented in the 1950's and 1960's. Old slogans like "learn from Lei Feng" and "in industry, learn from Daqing," which have been out of fashion for a decade, returned to prominence. Since September, 1989, a new nationwide campaign to "learn from Lei Feng" has been in full swing.²²

Clearly, instead of carrying the reform program forward, the new leadership in Beijing is trying to turn the clock back. If the nation's contradictory economic program is not untangled and incentives and productivity are not revived, stagnation, inflation and shortages will increase. Rising popular discontent may precipitate the downfall of the hardline government. ■

²²*People's Daily*, editorial, March 5, 1990, "Lei Feng Is Our Model for Learning Forever." Lei Feng, an obscure soldier who died in an accident in 1962, was sanctified by Mao as a paragon of Communist virtues.

FEEDING CHINA'S PEOPLE

(Continued from page 260)

ten years before 1988 (the last year of detailed published statistics). Between 1952 and 1978, average nationwide grain consumption actually declined from 197.7 kilograms to 195.5 kilograms—but by 1988 it was up to 259.1 kilograms. Similarly, cooking oil consumption declined with command farming from 2.1 kilograms to 1.6 kilograms a year—but it jumped to 6 kilograms by 1988. Meat consumption increased slowly from 6 kilograms to just 9 kilograms in 25 years—but from 1978 to 1988 it more than doubled to 18.25 kilograms. And, a most astonishing and little appreciated increase, consumption of liquor, at 1.14 kilograms in 1952 and 2.57 kilograms in 1978, rose about 4.5-fold to 11.56 kilograms in 1988.

These nutritional improvements pushed China's

²²Detailed tabulations of nutrient supply are published annually in *Production Yearbook* (Rome: Food and Agriculture Organization). Although relatively high, China's average food supply is still rather monotonous: dominated by grains, with animal foods providing less than 10 percent of all energy intake.

²³Rising alcohol consumption has also become an important consumer of grain. In 1987, about 10.5 million tons of grain were used to make "wine," and 1.3 million tons of beer (Xinhua [New China News Agency], November 11, 1988, in *SWB*, FE/W0053, November 23, 1988, p. A/5).

²⁴Xinhua, July 13, 1988, in *SWB*, FE/W0036, p. A/8; Xinhua, July 18, 1988, in *SWB*, FE/W0036, p. A/8.

²⁵Xinhua, July 15, 1988, in *SWB*, FE/W0036, p. A/8.

average per capita food availability to within less than 10 percent of the Japanese mean: in 1984–1986, the Chinese supply averaged about 2,630 kilocalories a day per capita, compared with the Japanese mean of 2,860 kilocalories.²² Why then the widespread concern among China's agricultural experts about meeting the challenges of the 1990's? Unsteady grain production is certainly the most important cause of this unease.

With privatization, the nation's total grain output jumped from 304.77 million tons in 1978 to 407.31 million tons in 1984, an astonishing 33 percent increase in just six years—but this record was surpassed only in 1989 after four years of stagnating production. In order to keep the grain supply at the late 1980's level of 260 kilograms a year, the nationwide output in the year 2000 will have to be about 40 million tons higher—but increased grain feeding required to produce more meat could easily consume an additional 20 million–40 million tons.²³

Obviously, a cumulative increase of 40 million–80 million tons of grain in a decade will require steadily rising yields impossible without intensified farming inputs and without careful attention to long-term management. Yet many Chinese farming experts have complained that the peasants have not been enthusiastic about long-term investment in their operations, an attitude resulting in advancing erosion, devegetation, the decline of soil productivity and the deterioration of waterworks.

These concerns can be illustrated with important examples regarding China's land resources. One of the most worrisome changes has been the demise of China's ancient practice of intensive organic recycling, coupled with reports of declining soil fertility, excessive use of synthetic fertilizers and increasing water pollution from the dumping of untreated urban wastes that have been coming from all over the country. In Anhui province only five percent of urban wastes were recycled in 1988, and a survey in Heilongjiang showed that half the farmers do not apply any manure to their crops.²⁴

The organic matter content of intensively cultivated soils on the North East China Plain fell from the natural level of nine percent to five percent by the 1970's and to only two percent by the mid-1980's. In July, 1988, the minister of agriculture convened a special meeting on organic fertilizers, where he warned against the excessive use of chemical fertilizers and promised state support for the planting of green manure crops and for the establishment of 10 production bases for green-manure crop seeds.²⁵

No less worrisome is the continuation of relatively large losses of arable land. Figures issued by the State Land Administration put the average annual farmland loss at 492,000 hectares between 1980 and

1985, for a total of 2.45 million hectares. The greatest loss of the decade was in 1985, at one million hectares.²⁶ In 1986, another 600,000 hectares were lost; per capita availability of arable land is now below one *mu* (that is, 667 square meters) in one-third of all provinces, with the lowest rates in Zhejiang (an average of a mere 460 square meters) and Guangdong (490 square meters). Moreover, a nationwide survey discovered various degrees of excessive soil erosion on 31 percent of the land, desertification on 5 percent, salinization and alkalization on 6 percent, and waterlogging on 9 percent.²⁷ Some 2 million hectares of cultivated slopelands lose about 225 million tons of topsoil a year, and the nutrient content of this loss corresponds to twice the total of synthetic fertilizers applied annually.

The excessive fragmentation of farmland is another concern. Given the peasant insistence on equitable field allocation, the land has been divided overwhelmingly on the basis of household size, and further subdivisions have taken into account the great local variations in land fertility. In 70–80 percent of all cases, the land has been redistributed simply, according to the number of individuals in the household, including children and old people.²⁸ And to avoid the complexities of converting the fields of widely differing natural fertility into standard units, peasants have simply subdivided various farmland grades into the requisite number of plots based on household size.

The combination of the expanded population and the egalitarian division of diminishing farmland has resulted in smaller plots and in the scattering of fields. A sample nationwide survey uncovered an average of 9.7 fields per household, with a total area of just 0.62 hectares, and on the densely populated North China Plain (and in several southern provinces) it was reported that households had as little as 0.27–0.33 hectares of land in eight to nine plots scattered in three to four places.²⁹ Naturally, this fragmentation and miniaturization are inimical

to the deployment of efficient machinery and, more important, to rational agronomic management (terracing, irrigation, crop rotation).

Similar problem reviews could be presented for the other critical factors of China's agriculture: the management of irrigation, the application of synthetic fertilizers and the mechanization of field tasks. There is also little doubt about the need for further pricing reforms in order to remove distorted price relations, and for further major investments in food processing to cut post-harvest losses and increase export potential.³⁰

Even without the tragic setback of June, 1989, China would be at one of its recurrent crossroads. The remarkable decade of reforms could not be continued into the 1990's. The outstanding achievements of the 1980's raised many expectations to unrealistically high levels; the inevitable negative side effects of rapid change caused problems demanding new and less rigid approaches. But no effective new directions will be taken until the latest round of the geriatric power struggle is over.

There is much in the reports of China's physical well-being and in the economic record that is encouraging. By 1990, China's key demographic rates reached levels that can be the envy of other populous poor nations. At fewer than 40 per 1,000 live births, China's infant mortality is just one-third of the Bangladeshi rate, less than half the Indian or Indonesian level and less than two-thirds of the Brazilian mean; only Mexico and the Philippines come close, with less than 50.³¹ Life expectancy at birth in China rose to 70 years for females and 68 years for males, compared with 56 and 57 years in India, 58 and 55 years in Indonesia, 68 and 62 years in Brazil, and 72 and 65 years in Mexico.³²

But it is discouraging to contemplate the unresolved fate of the economic reforms, the continuing degradation of the environment, the still tense food supply–population growth link and, above all, the spasmodic rigidity of the ruling dogmatic regime. One must hope that when the country begins a new period of democratization, these critical problems will be at the forefront of attention. ■

THE MILITARY IN CHINA

(Continued from page 264)

ings with poison or fecal matter.¹⁸ There were frequent reports of sniper attacks on the PLA. Some Beijing University students who engaged a group of patrolling soldiers in conversation found, to their surprise, that the young men were worried that they might be set upon at any moment.¹⁹

¹⁸ *Agence France-Presse*, July 31, 1989, quoting *Jingji Ribao* (Beijing), no date given, in FBIS, July 31, 1989, p. 25.

¹⁹ *Tangtai* (Hong Kong), May 12, 1990, pp. 13–14, in FBIS, May 18, 1990, p. 16.

²⁶ Cao Zhaoqin and Wang Hangzeng, "China's Arable Land Declines by 9 Million *mu* in 1986," in *Renmin ribao* (People's Daily), May 18, 1987, p. 1.

²⁷ Chen Guonan, "Possible Changes in China's Farmland Resources by the Year 2000 and Possible Countermeasures," in *Ziran Ziyuan* (Natural Resources), March, 1987, pp. 1–6, 26.

²⁸ R. Kojima, "Agriculture Organization: New Forms, New Contradictions," in *The China Quarterly*, December, 1988, pp. 706–735.

²⁹ Yu Quancheng, "The Vexatious Land Problem," in *Jingji Cankao* (Economic Reference), February 13, 1989, p. 4.

³⁰ Frederick W. Crook, "China's Food System after a Decade of Reform," in *Centrally Planned Economies Agriculture Report*, vol. 3, no. 2 (1990), pp. 14–23.

³¹ United Nations, *Demographic Yearbook* and the World Bank's *World Development Report*.

³² In contrast, the Soviet averages were 73 and 64 years, the United States mean was 79 and 71, and those of the record-holding Japan, 81 and 75 years.

Clearly distressed about this situation, the new leadership mounted a sizable and immediate campaign to refurbish the PLA's image. The military's actions at Tiananmen were portrayed as protecting the people from a handful of counterrevolutionaries instigated by various foreign governments. Photographs and videotapes showed young soldiers who had been mutilated and set on fire by these counterrevolutionaries, or by those who had been duped by them. A number of deceased soldiers were eulogized at state ceremonies, where their families received the grateful thanks of high-ranking leaders.²⁰

The media interviewed civilians who lavished praise on their military saviors and announced that a Beijing taxi manager had volunteered lifetime support for the parents of two PLA martyrs. *Beijing Daily* quoted the manager as saying that private business people needed a stable political and economic environment. Since these young men had died trying to provide such an environment, the least he could do was to give each family a monthly stipend of Y100 and a two-month-long vacation in Beijing each year.²¹

PLA soldiers publicly praised an elderly, and presumably typical, woman who had protected them from an angry mob.²² How many civilians actually did this is open to question. At least one individual who tried to stop a crowd from beating a soldier, arguing that it would simply provoke military retaliation, was himself beaten by the crowd.²³

The Lei Feng campaign has also been employed in the hope of improving civil-military relations. Soldiers have set up booths on street corners to give free haircuts, fix bicycles and small appliances, or give legal advice.²⁴ It is difficult to assess the success of these efforts.

Army Day, August 1, and National Day, Octo-

²⁰See e.g., Xinhua, July 27, 1989, in FBIS, August 1, 1989, p. 34.

²¹Xinhua, July 1, 1989, in FBIS, July 19, 1989, p. 48.

²²*Beijing Review* (Beijing), July 10-16, 1989, pp. 6-7.

²³David Margolick, "At the Bar," *The New York Times*, August 4, 1989, p. 20.

²⁴See e.g., *Xicang Ribao*, September 25, 1989, in FBIS, January 5, 1990, p. 33.

²⁵*Ming Pao* (Hong Kong), December 6, 1989, in FBIS, December 6, 1989, pp. 57-58.

²⁶Text in Xinhua, February 23, 1990, in FBIS, February 27, 1990, pp. 22-27.

²⁷"Analysis of Local Protectionism," *Jingji Cankao* (Beijing), April 1, 1990, p. 4, in FBIS, May 3, 1990, pp. 27-30.

²⁸Shandong Radio, January 3, 1989, in FBIS, January 8, 1990, p. 36.

²⁹Anhui Radio, February 7, 1990, in FBIS, February 16, 1990, p. 12.

³⁰*China Daily* (Beijing), April 29, 1989, p. 1. These seem to have been borrowed from similar regulations enacted in Shanghai during the previous year.

³¹See e.g., Guo Jia, "Good Boys Join the Armed Forces," *Renmin Ribao*, February 16, 1990, p. 27.

ber 1, have traditionally been times for military parades and attendant martial pomp. Both occasions were celebrated very quietly in 1989. Similarly, despite the official praise heaped on the PLA for rescuing the nation in its hour of need on June 4, 1989, the first anniversary of the Tiananmen Square incident was commemorated with a children's celebration in the square. The leadership's reasoning seems to have been that not even the most hardened bourgeois liberal would wish to disrupt the little dancers' performance, whereas putting the PLA on exhibition might provoke them to action.

In the closing days of 1989, a rather serious navy-civilian clash was reported from Guangxi province. A sailor riding a bicycle accidentally hit a pregnant woman, immediately escorting her to a hospital for examination. Rumors spread quickly, and a thousand local residents led by her husband stormed the naval base, beating the personnel and smashing property.²⁵ The manner in which what was essentially a misunderstanding escalated into violence indicates that tempers were already at a flash-point.

In early 1990, the PLA won a minor victory: the National People's Congress adopted a law protecting military facilities from civilian encroachment and providing sentences for rumormongering and creating civil-military disturbances.²⁶ Because Chinese courts are notoriously biased in favor of local interests,²⁷ no one believed that passing the law meant that it would be automatically obeyed. But an important first step had been taken.

CONSCRIPTION AND DEMOBILIZATION

Clearly cognizant that the PLA's role in suppressing the demonstrations would hinder the already difficult task of recruitment, the government's 1990 conscription notice warned that

This spring's conscription work is the first of its kind after the quelling of the counterrevolutionary rebellion in Beijing. Thus, achieving the work is of special significance and [we must] make sure to send the army the young people with political integrity, higher educational levels, and good health.²⁸

Anhui province declared that it would set up a conscription hotline and special letterboxes for people to report irregularities, and Guangdong announced that qualified youth who refused to join the PLA would be fired from their jobs.²⁹ If unemployed, they would be denied jobs for three years, i.e., the length of the enlistment period.³⁰ There were also hints that party members and cadres with eligible sons were being told to make sure that their children enlisted.³¹ The families of recruits continued to receive subsidies to compensate at least partially for the shortfall between military pay and standard wages in their area.

These incentives to enlist were reinforced in many areas by a sharp contraction in the rural economy caused by the conservatives' policy of economic retrenchment. Young peasants with few other options were less averse to joining the PLA. By the end of the recruitment period, official news releases sounded almost relieved.³²

At the other end of the recruitment cycle, the demobilization process, never an easy one, also became more difficult. Partly out of reaction to Tiananmen and partly because of the economic austerity program, fewer work units were willing to offer jobs to veterans. To make matters worse, a larger than usual number of soldiers with specialized skills decided to leave the PLA before the expiration of their extended 13-year limit. Not only was the military deprived of their skills, the state agency in charge of resettlement received an extra burden.

The government responded by drafting a new regulation to tighten controls on discharging skilled soldiers, while temporarily increasing the funding available to state enterprises that agree to hire veterans.³³ In addition, several areas began to allow veterans with outstanding records to transfer their residence registrations from rural to urban areas, a privilege eagerly sought by many people.³⁴

CONTINUITIES

At the same time, other programs remained essentially unchanged. These include training exercises and stress on combat effectiveness, weapons upgrading, continuation of research and development programs, and regularization of troop management procedures.

The PLA maintained a standard training schedule after Tiananmen, with the air force conducting a three-day jungle rescue drill in southern Yunnan and the navy being sent on a long voyage in the Pacific. The development of new radar systems or simulation equipment was announced with great pride; *Renmin Ribao* admitted candidly that "... there is still a long way to go compared with developed countries [but] we are exerting ourselves to catch up with them."³⁵

Research and development programs continued, apparently only slightly hampered by the rather laxly enforced restrictions placed by some Western countries on military sales and exchanges. United States President George Bush waived sanctions so that United States-made satellites could be launched by Chinese Long March rockets.³⁶ He

³²See e.g., *Xinhua*, February 28, 1990, in FBIS, March 5, 1990, p. 29.

³³*China Daily*, April 7, 1990, p. 1.

³⁴Jilin Radio, March 9, 1990, in FBIS, March 16, 1990 (supplement), p. 56.

³⁵*Renmin Ribao*, September 22, 1989, p. 4.

³⁶*Aviation Week and Space Technology*, April 16, 1990, p. 28.

reportedly secretly dropped his ban on military sales to China only a few months after announcing it, and almost 50 Chinese technicians returned to the major American contractor, Grumman, by October, 1989. Subsequently, the Chinese themselves canceled their contract with Grumman, though other aspects of the military modernization program proceeded. Discussions continued on the introduction of legal mechanisms to govern relationships between officers and recruits; military decision making; the enforcement of orders; and the like. The introduction of such mechanisms will not do away with traditional practices of favoritism. As seen above, the "Yang family village" appears to thrive. But the ongoing discussion of how to reduce the disruptive influences of personal connections in the PLA represents a continuity with the pre-Tiananmen military modernization program.

CONCLUSIONS

The use of the Chinese military to suppress unarmed demonstrators in June, 1989, has exacerbated existing tensions in civil-military relations and has complicated the processes of recruitment and demobilization. The more conservative post-Tiananmen government has made a major, if still unsuccessful, effort to refurbish the PLA's image with the people. It has also announced changes in high-ranking personnel that seem to favor those loyal to the conservative cause. However, a sizable number of officers who are sympathetic to the reformers probably remain in positions of influence.

An intensified political study campaign has sought to unify the PLA behind the new party line. There has also been an effort to reduce the incidence of economic corruption within the military and to replace "bourgeois" reading matter and films with more orthodox revolutionary entertainment. Two significant victories for the PLA since Tiananmen are a sizable budget increase for 1990 and the promulgation of new laws protecting military installations from civilian encroachment. ■

HUMAN RIGHTS

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government's dealings with its own citizens are its "internal affair," which foreigners have no right to criticize; that human rights are always subject to limitations, which governments may legitimately impose; and that nations with different social systems may choose to emphasize (or to derogate) certain rights in keeping with the dictates of their ideologies.

Such arguments overlook important considerations. China's membership in the UN and its participation in international human rights agreements, not to mention its own criticism of other

violators (i.e., South Africa and Israel), compel it to accept the legitimacy of international criticism. The permissible limits on certain rights — like freedom of association, speech or the press — do not allow limitation of fundamental human rights like the right to life, the right not to be subjected to torture or other cruel, inhuman or degrading punishment, and the right to be free from arbitrary arrest. Finally, the developments during the past year in East Europe, along with the votes against China at the UN Human Rights Commission by Hungary and Bulgaria, undercut claims of socialist exceptionalism in the field of human rights.

Now that more than a year has passed since China's human rights cataclysm of June, 1989, Chinese leaders are providing conflicting signals about their future conduct. On the one hand, the welcome release of hundreds of detainees has encouraged those who believe either that democratic forces set in motion over a decade ago are proving resilient or that a combination of international pressure and diplomatic nudging are having an effect. On the other hand, other dissidents are reportedly being detained just when last year's prisoners are being released; Chinese security forces have also recently assaulted foreign reporters covering anniversary events related to the democracy movement and campus protests.²⁹ The direction in which China plans to move with respect to human rights remains uncertain, but the international significance of these issues have been assured. ■

²⁹Nicholas D. Kristof, "Mystery in Beijing: The Vanishing Dissident," *The New York Times*, June 1, 1990, p. A5; Nicholas D. Kristof, "Foreign Reporters Complain to China," *The New York Times*, June 6, 1990, p. A6.

CHINESE FOREIGN POLICY

(Continued from page 248)

development of China's economy is very important to the world, especially to the third world. Therefore, the World Bank will continue to provide aid for China's development."¹⁶ Beijing even advanced a functionalist argument, as Liu Zhongli, Chinese vice minister of finance, did in May, 1990. He attacked the obstruction of "the independent decision-making of the World Bank" by certain countries and called on all member states to prevent the Bank from being thus politicized.¹⁷ Still, in another sign

¹⁶Xinhua, April 6, 1990, in FBIS, April 9, 1990, p. 1.

¹⁷Xinhua, May 9, 1990, in FBIS, May 9, 1990, pp. 1-2.

¹⁸Chen Mingxing, "Ways to Smoothly Negotiate Foreign Debt Repayment Peak," *Guoji Shangbao*, March 31, 1990, p. 3, in FBIS, April 26, 1990, p. 42.

¹⁹Mikhail Gorbachev, *Perestroika: New Thinking for Our Country and the World* (New York: Harper & Row, 1987), p. 169.

²⁰See Song Yimin, "The Relaxation of U.S.-Soviet Tensions and Profound Changes in International Relations," *Guoji Wenti Yanjiu*, no. 1 (1988), pp. 1-5.

of uncertainty, Beijing issued a thinly disguised threat:

As a developing country, China has the right to fight for and have its debt rescheduled. Specifically, we should now start consulting with creditor nations on debt rescheduling and try to make some breakthroughs on the following two issues: 1) cancellation of debts to some governments and international financial institutions and the postponement of the repayment of some debts; and 2) reduction in an all-around way of the credit rates of commercial banks.¹⁸

Post-Tiananmen China's relationship with the United States is thus in a trap because Beijing can neither fully embrace (for ideological reasons) nor completely reject (for economic reasons) the United States. Like it or not, the United States remains the only country that can decisively help or hurt China in its modernization quest.

SINO-SOVIET RELATIONS

A conundrum of a different kind confronts Beijing's relationship with the Soviet Union. Before June, 1989, the Chinese image of the Soviet Union as the most dangerous social imperialist lost much of its empirical and ideological grounding. Soviet President Mikhail Gorbachev's "new thinking" in foreign policy was the most important factor in shaping a stable external environment and restoring Sino-Soviet relations. He went a long way toward easing China's identity-legitimation crisis by publicly recognizing it "as a great socialist power."¹⁹ He eased China's perception of the Soviet threat by drawing back from most of his predecessor's forward encroachments along China's regional security perimeter.

Gorbachev has taken the sting out of the long-festering ideological and geopolitical conflict by replacing President Leonid Brezhnev's confrontational foreign policies of the 1970's with China's own Five Principles of Peaceful Coexistence. Indeed, the wave of privatization, the concentration of domestic economic reform and the desire to enter the world market were cited in Gorbachev's Soviet Union as further evidence of the universal phenomenon of reform politics.²⁰

The Tiananmen tragedy, the collapse of communism in East Europe, and the rise of civil society and multiparty politics in the Soviet Union in 1989-1990 have all muddied the Marxist waters. As Yan Jiaqi, China's leading political scientist and now a dissident in exile, put it on the eve of Gorbachev's state visit to China in May, 1989:

China used to be afraid of influence from the West. Now we are afraid of influence from the Soviet Union. If we want to keep out Western influence, we can say we're against "bourgeois liberalization" or

against "total Westernization." But we can't use that pretext against Soviet influence. Nobody, not even Deng Xiaoping, can resist the Soviet influence, *because there is no ideological concept to resist it.*²¹

More than any other external factor, the Gorbachev factor and its fallout have posed the most difficult legitimation challenge to the Chinese leadership. Like the United States, but for different reasons, post-Tiananmen China finds it difficult fully to embrace or fully to reject Gorbachev's Soviet Union. The answer, at least in 1990, is a Janus-faced policy. Based on Deng's instructions, the Politburo has adopted the policy of permitting differences between internal and external affairs. Externally, Beijing has adopted the principle of noninterference in the internal affairs of other countries and thus refrains from public criticism of East Europe's rejection of communism. Internally, however, Beijing has intensified ideological education to emphasize the fact that East Europe and the Soviet Union have violated the basic principles of Marxism-Leninism and have deviated from the socialist road.²²

Dengist "pragmatism" in the post-Mao era led to China's acceptance of and adjustment to the systematic constraints and opportunities of the capitalist world economy, turning away from third worldism.²³ Third worldism rooted in the quest for a New International Economic Order (NIEO) has made a comeback of sorts in post-Tiananmen foreign policy. Beijing has intensified its third world diplomacy with flurries of well-publicized state visits (e.g., General Secretary Jiang Zemin's visit to North Korea; Li Peng's visit to Pakistan, Bangladesh and Nepal; and President Yang Shangkun's visit to Brazil, Uruguay, Mexico, Argentina and Chile).

Yet all this is more thunder than rain. There is not much third worldism can do to help China modernize. With deepening cleavages in the third world, third worldism has lost much of the unifying symbolism it commanded in the mid-1970's. By the early 1980's many supporters of third worldism pronounced NIEO politics a cul-de-sac of endless commotion without actual progress. Ironically, by early

²¹Bernard Gwertzman and Michael T. Kaufman, eds., *The Collapse of Communism* (New York: The New York Times Co., 1990), p. 49; emphasis added.

²²See Cheng Fang-en, "Deng Xiaoping Issued New Instructions on the Beijing Incident and Yang Shangkun Made New Arrangements for the Deployment of Troops," *Kuang Chiao Ching* (Hong Kong), no. 211 (April 16, 1990), pp. 6-8, in FBIS, April 19, 1990, pp. 7-9.

²³For a more detailed analysis, see Kim, *The Third World in Chinese World Policy*.

²⁴See *The New York Times*, May 2, 1990.

²⁵Qian Qichen on the World Situation," pp. 16-17.

²⁶See Bai Liang, "Flexible Foreign Policy' Runs Counter to 'One China,'" *Renmin Ribao* (overseas ed.), May 3, 1990, p. 5.

1990, the third world had decided to follow the Chinese example by turning its back on the NIEO; at the same time, the Soviet Union and East Europe had decided to improve their relations with the United States by turning their backs on the third world.²⁴

The Tiananmen bloodshed has also rekindled the dormant fear of Chinese regional hegemony. The countries of the Association of South East Asian Nations (ASEAN) successfully excluded China—and Hong Kong and Taiwan—from the inaugural conference of the Asia-Pacific Economic Co-operation Council (APEC) held in Canberra, Australia, in November, 1989. This provoked a strong and predictable response from the Chinese government to the effect that any Asian-Pacific regional political or economic organization will be incomplete without China's participation. Moreover, China warned that in defense of "its legal status in international economic organizations" it will oppose any "discriminative and limitative practices."²⁵

LOSS OF CONFIDENCE

In 1990, China entered a period of domestic instability and foreign policy uncertainty. The Tiananmen tragedy, coming at a time of deepening domestic trouble and increasing international dependency, has exacerbated the conflicts between internal disorder and external calamity. Indeed, post-Tiananmen China is faced with a continuing crisis of confidence that reflects the fragmentation of the Chinese multinational empire and China's shrinking influence in the global community.

In the short span of a year, China has lost the international confidence, credibility and support that it had garnered during a decade of reform and opening up to the outside world. Gone is the widely shared perception (or misperception) that a stronger China is a safer China for the world at large. Gone also is Deng's cynical confidence that China can get away with murder at home without paying an international price.

Perhaps the most serious and enduring consequence is the collapse of Beijing's goal of reunification with Taiwan and Hong Kong. At a stroke, the Tiananmen massacre shattered the fragile concept of "one country, two systems" envisioned in Beijing's reunification game plan. While poor Hong Kong residents are sliding into China's grasp, Hong Kong professionals are leaving with voice and capital. Chinese leaders are disbelievably waking up to the fact that Taiwan is turning Beijing's game plan to its own advantage by giving up its "three no's" policy, while at the same time moving farther and farther away from "the road of the motherland's reunification" through deft manipulation of "flexible diplomacy."²⁶ The first Nobel Peace Prize awarded

to a "Chinese" went to Tibet's Dalai Lama for 1989, the year of the Tiananmen massacre. Violent protests and an uprising in the Xinjiang Uygur Autonomous Region in April, 1990—apparently sparked by resistance against new Chinese identity cards and religious restrictions—underscored anew the centrifugal ethnonationalistic forces always lurking beneath the surface of the Chinese empire, waiting to erupt at an opportune historical moment. Reunification, as one of the three essential objectives of Chinese foreign policy for the 1980's and beyond, has become a Sisyphean struggle of doing more and more to achieve less and less.

The irony of it all is that the regime responded the way it did to overcome the fear that it is being perceived at home and abroad as a pitiful, helpless giant and to demonstrate the party's image of full control and leadership stability, only to have a self-fulfilling prophecy thrown back in its face. In a multipolar post-cold war era, a Stalinist China seems like a quixotic island of anachronism. In a rapidly decommunizing world, Communist China no longer matters as much to the rest of the world, except as a rogue elephant in global politics and as a threat to common Asian security.

It is still premature to guess at the shape of things to come in Chinese politics. At this stage, however, the prospects for resolving the crisis of confidence in China seem rather grim. There is no evidence yet of any coherent strategy, much less far-reaching vision, at the top—only a safe recycling of decades-old slogans to recapture some Marxist enlightenment in coping with the realities of a moribund world Communist movement.

In the end, of course, the global community can no more ignore China's long shadow than China can ignore the long shadow of the global community. As shown in the World Bank's uneasy and still controversial compromise solution on the China sanctions on May 29, 1990 (allowing \$300 million for reforestation projects but indefinitely postponing consideration of a \$150-million transport loan for Jiangsu province), Beijing will no doubt do better in recovering its international legitimation than it will in regaining its domestic legitimation. But no government can live by international legitimation alone. ■

BOOK REVIEWS

(Continued from page 270)

contributed the introduction.

In the year since the government crackdown in June, 1989, many books have been written either to analyze the movement or to recount personal experiences. With few exceptions, none can recreate the heady atmosphere as well as this volume. It does not analyze in detail the historical

roots of the 1989 movement, nor does it question whether the Chinese democracy movement knew what it meant by "democracy." But those tasks are ably accomplished elsewhere. This volume succeeds best as a collection of primary documents that demonstrate the excitement, the vision, the creativity and the ultimate political miscalculation of the movement. As such it is a valuable centerpiece for the study of political currents among Chinese students in 1989. D.E.S.

BEHIND THE TIANANMEN MASSACRE: SOCIAL, POLITICAL AND ECONOMIC FERMENT IN CHINA. By *Chu-yuan Cheng*. (Boulder, Col.: Westview Press, 1990. 256 pages, appendices and index, \$29.95.)

As we gain more perspective on the events of the spring of 1989 in China, it will be more important to understand the reasons behind the events than to recall precisely what happened. By exploring the social, economic and political atmosphere that provided fertile ground for upheaval in China in the late 1980's, Chu-yuan Cheng has succinctly responded to that need. Although most of the hard facts he marshals have been presented before (the grim economic statistics, the changing composition of the military and political leadership), this work ties the loose ends together in a contemporary historical context.

The massacre in and around Tiananmen Square in June, 1989, is discussed at some length, bolstered by the detailed chronology and selected documents in the appendix. Another section of the appendix features profiles of 50 major political, military and cultural figures. Although other books on the Tiananmen incident provide deeper historical background and more extensive primary documents, Cheng ably analyzes the immediate threads that led to the tragedy. D.E.S.

ALSO RECEIVED

CURRENT BOOKS ON CHINA: AN ANNOTATED BIBLIOGRAPHY OF BOOKS IN ENGLISH, 1983-1988. By *Peter P. Cheng*. (New York: Garland Publishing, Inc., 1990. 284 pages and indexes, \$29.00.)

CHINA AND INTERNATIONAL LAW: THE BOUNDARY DISPUTES. By *Byron N. Tzou*. (New York: Praeger Publishers, 1990. 141 pages, bibliography and index, \$42.95.)

CHINA'S FOREIGN TRADE REFORMS: IMPACT ON GROWTH AND STABILITY. By *John C. Hsu*. (Cambridge: Cambridge University Press, 1989. 200 pages, notes, references and index, \$49.50.) ■

FOUR MONTHS IN REVIEW

A Current History chronology covering the most important events of April, May, June and July, 1990, to provide a day-by-day summary of world affairs.

APRIL, 1990

INTERNATIONAL

European Bank for Reconstruction and Development (EBRD)

April 9—In Paris, the U.S., Japan and the European Community (EC) agree to create a regional bank to aid East Europe's new democracies; 60 percent of the bank's credits are to go to the private sector and only 40 percent to governments; a treaty-signing ceremony will take place on May 30.

European Community (EC)

April 27—In Dublin, the leaders of the 12 members of the EC discuss plans for union in 1992; British Prime Minister Margaret Thatcher warns that, despite the rhetoric, serious practical problems remain.

North Atlantic Treaty Organization (NATO)

(See *U.S.S.R.*)

United Nations (UN)

(See *El Salvador*; *U.S.*, *Foreign Policy*)

Warsaw Treaty Organization (Warsaw Pact)

(See *U.S.S.R.*)

AFGHANISTAN

April 6—At a reconciliation ceremony attended by government officials and guerrilla field commanders, a group of rebels suddenly open fire, killing at least 10 people.

April 19—Soviet negotiators meet with the Islamic party, led by Gulbuddin Hekmatyar, in an effort to gain the release of prisoners of war in Afghanistan. This is the 1st time an Afghan guerrilla group has talked directly with Soviet representatives.

ALBANIA

April 19—President Ramiz Alia says that because of recent international developments, the question of reopening diplomatic relations with the U.S. and the Soviet Union "is on the agenda"; the U.S. broke diplomatic relations with Albania in 1939.

BELGIUM

April 4—After King Baudouin I declares that he cannot in good conscience sign a law permitting abortion, Parliament temporarily suspends the King's powers.

April 5—Parliament unanimously votes to restore the King to power after promulgating the abortion law in his absence.

BRAZIL

April 11—The Congress passes the anti-inflation economic program of President Fernando Collor de Mello, including a measure that freezes large bank deposits for 18 months.

BULGARIA

April 3—Parliament elects Petar Mladenov President and adopts legislation to set up the 1st multiparty elections since

1945. The Communist party is renamed the Bulgarian Socialist party.

CHINA

(See also *U.S.S.R.*; *U.K.*, *Hong Kong*; *U.S.*, *Foreign Policy*)

April 1—Government authorities seal off Tiananmen Square to prevent a peaceful protest planned as part of the traditional Chinese commemoration of the dead.

April 5—Tiananmen is sealed off for a 2d time to prevent commemoration of the prodemocracy demonstrators killed by government troops in June, 1989.

April 7—China launches a foreign telecommunications satellite for the 1st time; the satellite is American-made.

April 22—Television broadcasts in Xinjiang report that 22 people were killed and at least 13 were injured in an armed rebellion in the predominantly Muslim Kizilsu Kirghiz autonomous prefecture on April 5 and 6; the rebellion may have been sparked by protests against religious restrictions.

April 30—Saying that the situation in Lhasa, Tibet, has stabilized, the government announces the end of martial law there; military rule was imposed on March 8, 1989, after several days of violent anti-Chinese demonstrations.

COLOMBIA

(See also *U.S.*, *Administration*)

April 26—Carlos Pizarro León-Gómez, a former leftist guerrilla leader who became a presidential candidate in March, is killed by machine-gun fire while aboard an airplane. Pizarro is the 3d presidential candidate to be assassinated since August, 1989.

COSTA RICA

(See *Nicaragua*)

CZECHOSLOVAKIA

(See also *U.S.*, *Foreign Policy*)

April 19—After a 40-year lapse, Czechoslovakia restores diplomatic relations with the Vatican.

April 20—Parliament changes the country's name to the Czech and Slovak Federative Republic.

April 21—Pope John Paul II visits Prague; this is his 1st visit to an East European country other than his native Poland.

DENMARK

(See *U.S.S.R.*)

EL SALVADOR

(See also *Nicaragua*)

April 4—In Geneva, representatives of the government and the Faribundo Martí rebels meet under UN auspices and agree to resume talks in May to end the civil war.

FRANCE

(See also *U.S.S.R.*)

April 10—Near Seville, police arrest a group of French terrorist

suspects allegedly responsible for killing at least 33 people for the Spanish Basque separatist group E.T.A. during the last 12 years.

GERMANY, EAST

(See also *Germany, West*; *U.S.S.R.*)

April 2—Ibrahim Böhm, the leader of the Social Democratic party, resigns after charges that he once informed for the secret police.

April 5—The 1st freely elected Parliament opens its session.

April 8—Representatives of the conservative alliance led by the Christian Democrats and the Social Democrats say that they have agreed to form a coalition government.

April 12—Lothar de Maizière, the leader of the Christian Democratic Union, is elected Prime Minister. The coalition government is approved by the 400-member Parliament, which accepts joint responsibility for Nazi crimes and offers to pay reparations to Holocaust victims; official statements recognize Poland's western border as "inviolable."

GERMANY, WEST

(See also *U.S.S.R.*)

April 5—The "German unity committee" meets to discuss the 1st draft of a treaty to establish a monetary union between the 2 Germanys.

April 17—Deutsche Bank A.G., the largest West German bank, says it has agreed to form a joint venture in East Germany with Deutsche Kreditbank A.G.; this venture will control about one-third of the banking system in East Germany.

April 23—The government offers to exchange West German marks for East German marks at a rate of 1 to 1 on wages, pensions, and up to 4,000 East German marks per person in cash and savings; other personal cash and savings can be exchanged at a rate of 2 to 1. This offer must be formally approved by East Germany's Parliament.

April 24—Chancellor Helmut Kohl meets East German Prime Minister Lothar de Maizière in Bonn; they set July 2 as the date for "monetary, economic and social" unification of the 2 Germanys.

GREECE

April 8—In the national elections held today—the 3d elections in 10 months—the conservative New Democracy party wins only half the seats in the 300-member Parliament.

April 9—A small independent rightist party, with 1 seat in Parliament, supports the New Democracy party, enabling it to hold a narrow parliamentary majority and form a new government.

April 10—The leader of the New Democracy party, Constantine Mitsotakis, is asked to form a government by President Christos Sartzetakis.

April 11—Mitsotakis is sworn in as Prime Minister.

GUATEMALA

(See *Nicaragua*)

HONDURAS

(See *Nicaragua*)

HUNGARY

April 9—In the final round of national elections, the Democratic Forum wins more than half the seats in the 386-member Parliament.

April 12—The Democratic Forum's party congress authorizes its leaders to form a conservative coalition with the Christian Democrats and the Independent Smallholders.

INDIA

April 3—In Punjab, a bomb believed to have been set by Sikh

radicals kills at least 34 people participating in a Hindu religious procession. Hindus respond violently.

April 11—In Bombay, a bomb attack wounds 34 people; Kashmiri Muslim separatists claim responsibility.

IRAQ

(See also *Israel*)

April 2—On Iraqi radio, President Saddam Hussein denies that Iraq has acquired nuclear weapons, but says that Iraq has equally powerful chemical weapons. He threatens to use them against Israel if Israel acts against Iraq.

IRELAND

April 6—The Supreme Court unanimously rules against the extradition of a man charged with weapons possession in Northern Ireland.

ISRAEL

(See also *Iraq*)

April 3—Israel successfully launches its 2d experimental satellite; Israeli officials say that the rocket used to launch the satellite could carry a warhead as far as Iraq.

April 4—Labor party leader Shimon Peres says that his party has won a sufficient majority in Parliament to form a new government.

April 11—Two religious party members of the prospective Labor-led coalition withdraw from the coalition; this prevents the Labor party from forming a new government. Peres asks for a 15-day extension to rally a majority.

April 21—In Bekaa, Lebanon, Israeli soldiers kill 6 members of the pro-Iranian Party of God in an attack on the guerrillas' training headquarters.

April 26—After 2 weeks of unsuccessful bargaining, Peres formally surrenders his mandate to form a new government.

April 27—Acting Prime Minister Yitzhak Shamir accepts a mandate to form a new government; he rejects the suggestion that he form a new "national unity" government with the Labor party.

ITALY

April 27—The government removes its last currency controls; Italians can open bank accounts abroad and hold unlimited amounts of foreign currency in Italian banks.

IVORY COAST

April 18—The government announces that severe economic austerity measures will be postponed; the decision follows several weeks of violent clashes between anti-government protesters and police.

JAPAN

(See also *Intl*, *EBRD*; *U.S.*, *Foreign Policy*)

April 2—In the morning session, stock prices and the yen fall sharply; the stock market has fallen by more than 25 percent since the beginning of 1990.

KOREA, SOUTH

April 29—Protesting police suppression of a 3-day strike at the Hyundai Heavy Industries complex in Ulsan on April 28, thousands of workers and students clash with riot police in Seoul.

LEBANON

(See also *Israel*)

April 10—After an appeal by Libyan leader Colonel Muammar Qaddafi, the Libyan-supported Fatah Revolutionary Council releases 3 European hostages in Beirut who were seized more than 2 years ago while on a Mediterranean cruise.

April 17—In West Beirut, 11 people are killed and 35 are in-

jured in violent clashes between rival Shiite Muslim factions.
 April 22—In Beirut, hostage Robert Polhill is released to Syrian army officers after more than 3 years in captivity.

Security officials in Beirut say that the Iranian government gave weapons and financial help to Muslim fundamentalists to convince them to release American hostages.

April 30—Hostage Frank Reed is released to Syrian custody by his captors in Beirut after more than 3 years in captivity; U.S. President George Bush thanks Iran and Syria for their efforts to gain his freedom.

LIBYA

(See *Lebanon*)

MEXICO

April 19—The government warns that it may reduce its joint drug-control efforts with the U.S. because U.S. agents may have organized the April 2 kidnapping of a Mexican doctor charged with the 1985 killing of U.S. Drug Enforcement Administration agent Enrique S. Camarena.

MONGOLIA

April 10—The Communist party begins a 3-day congress; Secretary General Gombojavyn Ochirbat calls for a "radical transformation of party structure" in order to deal effectively with opposition groups.

NEPAL

April 5—A general strike is called by anti-government demonstrators; King Birendra dissolves the Council of Ministers and names Lokendra Bahadur Chanda as Prime Minister to negotiate with pro-democracy leaders.

April 6—In Katmandu, the army and the police shoot at 200,000 pro-democracy demonstrators, killing at least 9 people. The government announces a curfew in Katmandu and surrounding towns.

April 7—Demanding multiparty democracy, the opposition rejects an offer by the Prime Minister to begin a dialogue.

April 8—King Birendra lifts a 29-year ban on political activities; he will allow political parties to function. Opposition leaders say their basic demands have been met.

April 10—Opposition leaders appeal to the King to dissolve the non-elected legislative assembly and dismiss Prime Minister Chanda.

April 16—King Birendra announces that Chanda resigned after demonstrators besieged him as he was leaving a meeting with opposition leaders on April 15; the King agrees to dissolve Parliament and asks the opposition to form a multiparty government, the 1st in 30 years. Krishna Prasad Bhattarai, leader of the Congress party, is elected Prime Minister.

April 23—Protesters demanding more rapid political change clash with police in Katmandu.

NICARAGUA

(See also *U.S., Legislation*)

April 2—In Montelimar, outgoing President Daniel Ortega Saavedra meets with the Presidents of Guatemala, El Salvador, Honduras and Costa Rica to discuss the demobilization of the contras, attracting foreign aid to Central America and ending civil war in El Salvador.

April 3—The 5 Presidents meeting in Montelimar ask for the demobilization of the contras by April 25 and for U.S. resettlement aid, which should be limited to contras who give up their weapons.

April 19—Leaders of the contra rebel army, the outgoing Sandinista government and the incoming government agree to an immediate cease-fire; they agree to the complete disarming of the contra army by June 10.

April 24—President-elect Violeta Barrios de Chamorro tentatively agrees to retain Sandinista Defense Minister Humberto Ortega Saavedra as leader of the army. She will serve as Defense Minister.

April 25—Chamorro is inaugurated as President in Nicaragua's 1st democratic transfer of power. She ends military conscription and announces an unconditional amnesty.

NIGERIA

April 22—The government says that loyalist troops foiled a coup attempt today by rebel soldiers after an 11-hour battle. The rebels (mostly Christians from central and southern Nigeria) say they object to the domination of the government by Muslims from the north.

PANAMA

(See *U.S., Administration, Legislation*)

PERU

(See also *U.S., Foreign Policy*)

April 8—In the presidential elections held today, unofficial polls report that Mario Vargas Llosa has won 31 percent of the vote and that Alberto Fujimori has won 29 percent; Fujimori insists he will stay in the race.

April 16—Vargas Llosa says he will remain a candidate in the presidential race.

PHILIPPINES

(See *U.S., Foreign Policy*)

POLAND

(See also *Germany, West; U.S.S.R.*)

April 21—Lech Walesa is re-elected chairman of the Solidarity labor union, winning 77 percent of the vote.

ROMANIA

April 27—In separate demonstrations, supporters and opponents of the National Salvation Front (NSF) and interim President Ion Iliescu rally in Bucharest. Presidential elections are scheduled for mid-May.

April 29—On their 7th day of protests, tens of thousands of anti-Communist demonstrators demand that Iliescu resign; they accuse Iliescu and the NSF of restoring communism.

SAUDI ARABIA

(See *U.S.S.R.*)

SOUTH AFRICA

(See also *U.S., Foreign Policy*)

April 3—The government sends army troops to black townships in Natal province, where rivalries between black factions have become violent in the last 2 months.

April 7—The government announces that discussions between the government and the African National Congress (ANC) on South Africa's political future will be held May 2-4.

April 16—Appearing before a rock concert audience at London's Wembley Stadium, ANC leader Nelson Mandela calls on governments to continue sanctions against South Africa and asks for financial support for the ANC. He has declined to meet British Prime Minister Margaret Thatcher because she has begun to relax sanctions.

April 17—President F.W. de Klerk says that his government will not agree to majority rule; it is prepared to share power with blacks and to codify political rights for blacks in a new constitution.

April 19—In the black township Rammulotsi, police shoot black anti-apartheid demonstrators, killing 5 and injuring 19 people.

April 20—Riots erupt in Rammulotsi.

April 29—Joe Slovo, the leader of the South African Communist party, returns to South Africa after almost 30 years in exile in Zambia.

SPAIN

(See *France*)

SUDAN

April 23—The government says it suppressed a coup attempt today and arrested more than 30 officers; it claims no shots were fired. President Omar Hassan Bashir declares a state of emergency and dissolves Parliament.

April 24—After a summary court-martial, 28 officers are executed by firing squad for their participation in the coup attempt.

SYRIA

(See *Lebanon*)

U.S.S.R.

(See also *Afghanistan; Albania; U.S., Foreign Policy*)

April 1—The Soviet government sends armored personnel carriers to Vilnius a day after President Mikhail Gorbachev warned Lithuanian leaders to "annul" their declaration of independence or risk "grave consequences."

April 2—The Estonian parliament says that a new law on secession being debated in Moscow does not apply to Estonia.

April 3—A delegation of Lithuanian officials meets with Aleksandr N. Yakovlev, a member of the new Soviet presidential council; the Lithuanians insist they will not retract Lithuania's declaration of independence.

April 4—On Estonian Radio, Estonian President Arnold F. Ruutel says that Gorbachev warned him that unless Estonia stops maneuvering to pass a resolution declaring independence, he will impose measures similar to the measures he has ordered in Lithuania.

April 5—In Vilnius, in the chief prosecutor's office, Soviet troops evict civil servants who are loyal to Lithuania's President Vytautas Landsbergis.

April 7—In Riga, Latvia, the Communist party splits over the question of pursuing Latvian independence.

April 8—In Tbilisi, Georgia, more than 10,000 pro-independence demonstrators commemorate "bloody Sunday"—April 9, 1989—when Soviet troops killed 19 peaceful demonstrators.

April 10—Gorbachev says that the Soviet Union can accept the membership of a united Germany in both NATO and the Warsaw Pact during a transitional period.

April 12—Tass, the Soviet press agency, reports that recently discovered evidence proves that the Soviet NKVD, the secret police, was responsible for the Katyn Forest massacre of Polish army prisoners in 1940.

The Estonian parliament votes to bar the forced service of Estonians in the Soviet armed forces.

April 15—In Yerevan, Armenia, protests against a chemical plant leak become violent; about 1,000 demonstrators attack KGB (secret police) headquarters; Soviet tanks and armored vehicles are sent to restore order.

April 16—Lithuanian Prime Minister Kazimiera Prunskiene says that Lithuania is willing to compromise on some independence measures to avoid an economic blockade threatened by Gorbachev.

April 18—Lithuanian authorities report that oil supplies to Lithuania have been cut off.

April 19—Lithuanian officials report that 3 of the 4 natural gas pipelines from the Soviet Union to Lithuania have been shut off, depriving Lithuania of some 80 percent of its supply of natural gas.

April 20—Landsbergis says that his government is willing to consider a moratorium on independence but will not agree to abide by the Soviet constitution; Soviet authorities cut off deliveries of sugar, metals, wood and tires.

Gorbachev takes away the authority of the Moscow City Council to oversee street demonstrations and protest rallies in Moscow. The council chooses Gavril K. Popov, a liberal economist, as leader of Moscow's government.

April 21—In order to conserve fuel and materials, most Lithuanian factories shut down. Prunskiene goes to Copenhagen to ask for emergency energy assistance.

April 23—The 4th and last oil refinery is closed in Lithuania because of the Soviet oil embargo.

Presidential spokesman Arkady A. Maslennikov says that, after long restricting the number of Muslims permitted to travel to Mecca, this year the Soviet Union will charter direct flights to Saudi Arabia for the religious pilgrimage.

April 24—In Moscow, Prime Minister Nikolai I. Ryzhkov and Chinese Prime Minister Li Peng sign a 10-year agreement for economic and scientific cooperation that focuses on high technology. Agreements on the reduction of troops on the Sino-Soviet border are also signed.

April 25—Lithuanian officials announce a cutoff of meat and milk exports to the Soviet Union.

April 26—West German Chancellor Helmut Kohl and French President François Mitterrand propose that Landsbergis suspend enforcement of Lithuania's declaration of independence to facilitate negotiations.

In Kiev, about 60,000 demonstrators commemorate the 4th anniversary of the Chernobyl nuclear disaster.

April 27—Soviet officials reveal that far greater medical, political and environmental damage was caused by the 1986 Chernobyl reactor explosion than was previously acknowledged.

UNITED KINGDOM

Great Britain

(See also *Intl, EBRD, EC; South Africa*)

April 27—The Press Association reports that Prime Minister Margaret Thatcher is considering revisions in the new head tax; the tax has sparked angry protests and mass demonstrations.

Hong Kong

April 4—In Beijing, the National People's Congress approves a new constitution for Hong Kong that gives Hong Kong some autonomy after 1997 (when control of the territory reverts to China).

Northern Ireland

(See *Ireland*)

UNITED STATES

Administration

April 8—The Federal Bureau of Investigation (FBI) releases a report that shows that violent crime in the U.S. rose 5 percent in 1989 while crimes against property rose 2 percent.

April 11—The Census Bureau reports that only 55 percent of the 1990 census forms have been returned; householders who do not return forms will be visited personally by enumerators.

April 12—Presidential spokesman Marlin Fitzwater reports that President George Bush is suffering "an early glaucoma of his left eye"; the problem was discovered in a routine examination at Bethesda Naval Hospital and is not expected to affect his vision.

April 17—The Justice Department obtains a court order that freezes accounts in 173 banks across the country; records

seized from Panama indicate that these accounts might have been used to conceal about \$400 million in drug profits from Colombia.

Economy

April 3—The Commerce Department reports that its index of leading economic indicators declined 1 percent in February.

April 6—The Labor Department reports that the nation's unemployment rate declined to 5.2 percent in March.

April 13—The Labor Department reports that its producer price index fell 0.2 percent in March.

April 17—The Labor Department reports that its consumer price index rose 0.5 percent in March and that the annual rate of inflation for the 1st quarter of 1990 was 8.5 percent.

April 18—The Commerce Department reports that the U.S. foreign trade deficit in February was \$6.49 billion, the smallest deficit in over 6 years.

Shearson Lehman Hutton Inc. reports the largest quarterly loss in Wall Street history—\$915 million for the 1st quarter of 1990.

April 26—Long-term interest rates on 30-year Treasury bonds surpass 9 percent for the 1st time in almost a year.

April 27—The Commerce Department reports that the nation's gross national product (GNP) grew at an annual rate of 2.1 percent in the 1st quarter of 1990; the rate of inflation for a fixed list of goods rose at a 6.5 percent annual rate for the same period, the largest jump since 1981.

Foreign Policy

(See also *Intl*, *EBRD*; *Albania*; *Lebanon*; *Mexico*; *Yemen*, *South*)

April 3—U.S. and Japanese negotiators agree on terms under which Japan will permit foreign businesses to compete with Japanese satellite companies and the government.

April 5—Senior U.S. and Soviet officials announce that President George Bush and Soviet President Mikhail Gorbachev will hold a 5-day summit meeting in Washington, D.C., beginning May 30.

U.S. Trade Representative Carla Hills announces that Japan has agreed to take action to make it easier for foreigners to invest and to do business in Japan.

April 6—Hills announces a trade agreement with the new Czechoslovak government, under which tariffs will be reduced and trade and tourism between the 2 countries will be encouraged; the agreement is to be signed April 12.

To replace his previous executive directive, President Bush issues an executive order that will ensure the continued presence in the U.S. of Chinese students.

April 10—President Bush names former Deputy Assistant Secretary of Defense Richard Armitage to be the chief U.S. negotiator with the Philippine government on the future of U.S. bases in that country.

April 14—The Commerce Department discloses that, despite the 1986 sanction law that banned the import of South African steel into the U.S., more than 900,000 tons of fabricated South African steel has been allowed into the U.S. because of a Treasury Department ruling that "bridge structure and fabricated girders" are excluded from the ban.

April 16—The State Department says that the U.S. will not rejoin the UN Educational, Scientific and Cultural Organization (UNESCO); the U.S. claims the organization still suffers from poor management and wasted assets.

April 17—In Washington, D.C., President Bush addresses the opening of a 2-day international conference on the environment and global warming; he calls for more research before action is taken.

April 21—The State Department authorizes Ambassador to Peru Thomas Quinton to sign an agreement with Peruvian Defense Minister Julio Velázquez Giaccarini for a \$35-million military aid package to aid in the drug war and to

fight Peru's leftist "Shining Path" guerrillas.

April 24—President Bush says that he does not want to adopt measures that might cause the "Soviet Union to take action" against Lithuania.

April 25—Hills says that trade arrangements with Japan have been successfully concluded and that Japan should not be cited again for unfair trade practices under provisions of the 1988 trade law.

April 26—In Paris, Deputy U.S. Trade Representative Julius Katz reports that a broad U.S.-Soviet trade agreement is ready to be signed by President Bush and Soviet President Gorbachev at their May summit.

April 27—President Bush removes Japan from the list of countries subject to reprisal tariffs because of unfair trading practices.

Labor and Industry

(See also *China*)

April 12—Companies that sell about 70 percent of the canned tuna sold in the U.S. announce they will not longer buy tuna caught in nets that accidentally catch dolphins; an estimated 80,000 to 100,000 dolphins are netted and killed in the eastern Pacific each year.

April 19—U.S. bankruptcy Judge Burton Lifland takes control of Eastern Airlines from Frank Lorenzo and names a trustee, Martin Shugrue, to try to bring the company out of bankruptcy.

April 24—Junk bond innovator Michael Milken pleads guilty to 6 felony charges of securities fraud and conspiracy in U.S. District Court in New York City; Milken agrees to pay a \$600-million fine; other penalties include a probable jail term.

Legislation

April 3—In an 89-11 vote, the Senate passes legislation designed to reduce acid rain, smog and chemical pollution in the air; the House has yet to pass a similar measure.

The House votes, 362 to 59, to approve an addition to the 1990 spending bill to provide \$420 million in aid for Panama, \$300 million for Nicaragua, and more than \$1 billion for various domestic programs; the new total will be \$2.4 billion; the Senate has not yet acted on the measure.

April 4—In a 62-37 vote, the Senate confirms T. Timothy Ryan Jr. as director of the Office of Thrift Supervision, which regulates the savings and loan industry.

In a 402-18 vote, the House approves a bill that will require the government to collect statistics on bias-motivated crime over the next 5 years; the Senate approved the measure on February 8.

April 18—Congress returns after a 10-day Easter recess.

April 20—In their annual report to the Congressional Joint Economic Committee, the Central Intelligence Agency (CIA) and the Defense Intelligence Agency say that the Soviet economy is in a state of "near crisis."

April 23—President Bush signs the National Hate Crimes Statistics Act, which requires a 5-year Justice Department study of bias-motivated crimes.

Military

April 26—Defense Secretary Dick Cheney proposes to cut the Defense Department budget for fiscal 1991 by an estimated \$2.4 billion (out of the \$295-billion Defense Department budget); the savings will come in part from reducing the number of Stealth B-2 bombers to 75 from 132 and from a cut in the Navy's carrier fleet.

Political Scandal

April 7—In Washington, D.C., former National Security Adviser John Poindexter is found guilty on 5 criminal charges of deceiving Congress about the Iran-contra affair.

Politics

April 27—Some 200,000 pro-life demonstrators rally in Washington, D.C.; President Bush addresses them by telephone and Vice President Dan Quayle addresses them in person, expressing support.

Science and Space

April 24—The space shuttle *Discovery* is launched after a much-delayed start; it carries the Hubble space telescope, which is to be placed in an orbit 381 miles high.

April 25—*Discovery* launches the Hubble space telescope.

April 29—*Discovery* lands after completing its mission in space.

April 30—Engineers report that a high-powered antenna on the space telescope has lost 25 percent of its mobility, causing problems with the operation of the telescope.

Supreme Court

April 17—In a 6-3 decision, the Court overrules a lower court ruling; it declares that the use of illegal drugs in religious rituals can be prosecuted; such prosecution is not a violation of the constitutional guarantees of religious freedom.

April 18—In a 5-4 decision, the Court upholds a lower court ruling; federal judges may order local governments to increase taxes to alleviate inequalities in a school system if all "available means" to remedy the constitutional violation have been exhausted. The case originated in Kansas City, Missouri.

The Court rules, 6 to 3, to uphold a lower court ruling that an individual possessing or viewing pornographic photographs of children can be prosecuted even if the photographs are viewed in the privacy of his home.

April 24—The Court rules, 7 to 2, that if an individual does not wish to appeal his own death sentence, that sentence cannot be challenged by anyone else.

VATICAN

(See *Czechoslovakia*)

INTERNATIONAL**Arab League**

May 30—In Baghdad, the emergency summit meeting of Arab leaders ends with a denunciation of the emigration of Soviet Jews to Israel and U.S. backing for Israeli "aggression, terrorism and expansion."

Arms Control Summit

May 30—After spending 2 days in Ottawa, Canada, talking with Canadian leaders, Soviet President Mikhail Gorbachev arrives in Washington, D.C., for 3 days of discussion on arms control and the question of unified German membership in NATO.

May 31—In Washington, D.C., U.S. President George Bush and Soviet President Gorbachev open their summit conference.

European Bank for Reconstruction and Development (EBRD)

May 20—The 42 member nations of the EBRD elect France's Jacques Attali as president of the organization and choose London as the headquarters city for the bank, which has been created to provide financing for East European development; the Netherlands opposed both moves.

May 29—40 countries sign the treaty establishing the EBRD.

General Agreement on Tariffs and Trade (GATT)

May 16—In Geneva, the Soviet Union is accepted as an observer in GATT. This status will not entitle it to par-

YEMEN, SOUTH

April 30—The U.S. resumes diplomatic relations with South Yemen after a 20-year lapse.

YUGOSLAVIA

April 8—The 1st free elections since World War II are held in Slovenia to select members of the collective presidency, representatives of 2 of 3 chambers of the parliament and the president of the Slovenian republic.

April 10—Results of the elections for the Slovenian parliament show that a coalition of center-right opposition parties that advocates secession has won more than 50 percent of the vote.

April 22—In Croatia, free elections are held for the 1st time in more than 50 years.

April 25—Election results in Croatia show that the conservative Croatian Democratic Association has won at least 16 seats in the 80-seat Croatian parliament.

ZAIRE

April 24—President Mobutu Sese Seko lifts a 20-year ban on opposition political parties, allowing the formation of 3 more parties. He says that the constitution will be revised and that a transition government will rule until elections are held in April, 1991.

ZAMBIA

(See *South Africa*)

ZIMBABWE

April 1—Results of the March 30-31 national elections show that President Robert Mugabe and his Zimbabwe African National Union-Patriotic Front (ZANU-PF), the ruling party, have won by a large margin.

May, 1990

participate in making decisions or in the current round of trade negotiations, called the Uruguay Round.

International Bank for Reconstruction and Development (World Bank)

May 29—The World Bank approves a \$300-million loan to China for combatting deforestation; the bank postpones indefinitely a 2d loan of \$150 million for China's roads and waterways.

International Monetary Fund (IMF)

May 6—Meeting in Washington, D.C., the finance ministers of the Group of Seven (the U.S., Japan, West Germany, France, Britain, Italy and Canada) industrial nations agree to a 50 percent increase in the \$120-billion IMF funding.

May 8—The 152 members of the IMF agree on a \$60-billion increase in the resources of the fund and a new voting procedure that relegates Great Britain to a position behind Japan and West Germany.

May 25—The IMF approves the resumption of aid to Argentina; Argentina agrees to negotiate with its creditors (commercial banks) over resuming payment of interest and principal on its debts.

North Atlantic Treaty Organization (NATO)

(See also *Intl. Arms Control*; *U.S., Foreign Policy*)

May 3—In Brussels, NATO secretary general Manfred Wörner announces that the organization has adopted a package of proposals aimed at changing the military alliance into a political alliance and to make a united Germany's member-

ship acceptable to the Soviet Union and the people of the two Germanys.

May 10—At the close of a 2-day meeting in Kananaskis, Canada, NATO defense ministers issue a communiqué; they agree that NATO can reduce short-range nuclear weapons in response to the changes in East Europe in the last year.

Organization for Economic Cooperation and Development (OECD)

May 31—The finance ministers of the OECD industrial states end a 2-day meeting; they agree to take "urgent steps" to reshape their agricultural trade policies.

Organization of Petroleum Exporting Countries (OPEC)

May 3—At an emergency meeting in Geneva, OPEC members agree to discontinue any oil production over their agreed-on quotas; this is an effort to maintain or increase current prices.

Palestine Liberation Organization (PLO)

(See *Intl, UN; U.S., Foreign Policy*)

United Nations (UN)

(See also *Albania; El Salvador*)

May 1—A special session of the General Assembly called to discuss the special problems of the poorest nations issues a declaration setting out new priorities to speed economic growth in developing nations in the 1990's.

May 10—The World Health Organization votes to postpone indefinitely the PLO's request for full membership.

May 14—In a report issued today, the UN Fund for Population Activities estimates that the world's population will reach 6.5 billion by the year 2000 and may reach 11 billion by 2100.

May 20—The UN Economic Commission for Latin America issues a report calling for commercial creditor banks to play a larger part in resolving the problems of debtor countries; by the end of 1989, Latin American countries owed \$422 billion, 60 percent to commercial banks.

May 26—At a UN meeting held in Geneva so that PLO head Yasir Arafat can attend, the U.S. uses its veto right to prevent the Security Council from sending a small UN force into Israeli-occupied territories to investigate the treatment of the Palestinians. Arafat is not permitted to enter the U.S.

ALBANIA

May 9—The government announces laws that allow Albanians to travel abroad and that seem to permit religious practice; both have been illegal since 1944.

May 11—UN Secretary General Javier Pérez de Cuéllar arrives in Tirana for talks with Albanian leaders; this is the 1st visit by a UN leader to Albania.

May 13—President Ramiz Alia meets foreign journalists for the 1st time; he says that Albania will retain socialism but will democratize its society.

ARGENTINA

(See *Intl, IMF*)

BRAZIL

May 2—The army dynamites an airstrip in the northern Amazon jungle, as part of an effort to prevent gold miners from occupying lands that belong to the Yanomami Indians, who are considered to be the last Stone Age tribe in the Amazon.

BULGARIA

(See *Israel*)

CAMBODIA

May 26—The 4 warring factions in Cambodia sign a cease-fire treaty, effective June 5; they agree to form a Supreme Na-

tional Council, composed of representatives from each faction, that will oversee the truce.

CANADA

(See also *Intl, Arms Control, IMF*)

May 23—Environment Minister Lucien Bouchard resigns from the Cabinet and from the Progressive Conservative party because of differences over the future of Quebec.

CHILE

May 12—The government agrees to pay compensation for the murder of Orlando Letelier in Washington, D.C., in 1976, but does not admit responsibility for the killing; Letelier was a Chilean exile leader. The compensation will be determined by an international tribunal.

CHINA

(See also *Intl, World Bank; Mongolia; Taiwan; U.S., Foreign Policy*)

May 10—The government announces that it has released 211 dissidents detained for participating in the pro-democracy demonstrations in 1989, including Dai Qing; it says that 431 "lawbreakers" are still under investigation.

COLOMBIA

May 27—In presidential elections held today, César Gaviria Trujillo of the ruling Liberal party, a strong opponent of drug traffickers, wins with 47 percent of the vote.

COSTA RICA

May 8—Rafael Angel Calderón is inaugurated as President, succeeding Oscar Arias Sánchez.

DOMINICAN REPUBLIC

May 16—National elections are held. The 2 major presidential candidates are Juan Bosch (who won the country's 1st democratic elections in 1963) and the incumbent, Joaquín Balaguer. An international observer group, led by former U.S. President Jimmy Carter, is monitoring the polling.

May 18—The major political parties agree to a recount; the first count showed Bosch losing by 11,000 votes, even though he led in the polls.

May 20—The vote count is suspended after Carter charges there has been vote fraud.

EGYPT

(See also *Syria; U.S.S.R.*)

May 19—Government officials say that Israel has assured Egypt that Israel will not launch a first strike against any Arab country.

EL SALVADOR

May 9—Gustavo Anaya, commander of the Farabundo Martí rebels, offers to cease resupply operations and accept international monitoring of rebel compliance if U.S. military aid to the government is halted.

May 16—In Venezuela, peace talks between the government and the rebels begin, with the assistance of UN mediators.

FRANCE

(See also *Intl, EBRD, IMF; Germany, West; U.S.S.R.*)

May 10—South African President F.W. de Klerk arrives in Paris; this is the 1st visit of a South African President to France since 1947.

May 14—In Paris, President François Mitterrand joins a rally protesting the desecration of 34 graves in a Carpentras Jewish cemetery and a recent upsurge of anti-Semitism; this is the 1st time a French President has participated in a public march since World War II.

GABON

May 14—After months of prodemocracy rallies, President Omar Bongo ends 22 years of one-party rule and calls for elections in September.

May 25—*The New York Times* reports that after the killing of an opposition leader on May 23, anti-government protesters rioted in Libreville and Port-Gentil.

GERMANY, EAST

(See *Germany, West; U.S., Foreign Policy*)

GERMANY, WEST

(See also *Intl, Arms Control, IMF, NATO; U.S.S.R.; U.S., Foreign Policy*)

May 2—The governments of West and East Germany agree on details of monetary union; starting July 2, corporate debt will be exchanged at a rate of 2 East German marks for 1 West German mark; pensions, rents, wages and some personal savings will be exchanged at a rate of 1 to 1.

May 5—In Bonn, formal talks on German unification—the “two plus four” talks—begin; the foreign ministers of East and West Germany, the U.S.S.R., the U.S., Great Britain and France attend. Soviet Foreign Minister Eduard Shevardnadze reiterates Soviet opposition to united German membership in a Western alliance.

May 7—Foreign Minister Hans-Dietrich Genscher says the path to rapid unification has been cleared; Shevardnadze agreed on May 5 that domestic and foreign aspects of unification do not have to be resolved at the same time.

May 8—Chancellor Helmut Kohl disagrees with Genscher's May 7 statement on unification.

May 10—Genscher reverses his position and says that both foreign and domestic aspects of unification must be resolved before unification.

May 12—In Frankfurt, more than 5,000 demonstrators protest German unification.

May 14—Kohl says that all-German elections can take place as early as December 2, 1990.

May 16—Federal and state governments agree to form a “German unity fund” of \$70 billion that will pay for the reconstruction of East German industry and infrastructure.

May 18—The finance ministers of East and West Germany sign a treaty agreeing to join their economies and make the West German mark the sole currency by July 2. The treaty requires approval by both German Parliaments.

HUNGARY

May 2—The leading political parties elect Arpad Goncz president of Parliament; thus he becomes the “interim President,” succeeding Matyas Szuros.

May 3—Goncz asks Jozsef Antall, president of the Hungarian Democratic Forum, to form the 1st freely elected Hungarian government in over 40 years.

INDIA

(See also *U.S., Foreign Policy*)

May 21—The most senior Muslim leader in Kashmir, Maulvi Mohammed Farooq, is assassinated in Srinagar. Security forces shoot at mourners in a procession, killing at least 30 people. The identity of the assassins is not known.

IRAN

(See *Iraq; U.S., Foreign Policy*)

IRAQ

May 8—President Saddam Hussein says that Iraq has secretly imported an American nuclear detonator (capacitor) and that Iraq can make the detonators itself.

May 12—A Teheran newspaper reports that Hussein has asked for a face-to-face meeting with Iranian President Hashemi Rafsanjani to end their war formally.

ISRAEL

(See also *Intl, Arab League, UN; Egypt; U.S.S.R.; U.S., Foreign Policy*)

May 3—After a 23-year break, Israel and Bulgaria reopen diplomatic relations.

May 20—Near Tel Aviv, an allegedly deranged man shoots 17 Palestinian laborers, killing 7; in the occupied territories, subsequent riots leave 7 Palestinians dead.

May 21—Palestinians angered by the May 20 incident clash with security forces in several towns in Israel itself, leaving several hundred people injured.

May 30—Israeli troops counter an attempted attack by Palestinian guerrillas in speedboats on the beaches near Tel Aviv.

ITALY

(See *Intl, IMF*)

JAPAN

(See also *Intl, IMF*)

May 2—*The New York Times* reports that the government has agreed to remove fingerprinting requirements and to improve the legal status of descendants of Korean laborers forcibly brought to Japan before World War II.

May 24—At a state dinner in Tokyo honoring South Korean President Roh Tae Woo, Emperor Akihito expresses the “deepest regret” for Japan's 1910-1945 occupation of Korea; this is the 1st high-level expression of responsibility for causing suffering to the Korean people.

KOREA, NORTH

May 28—In Panmunjom, North Korea returns the remains of U.S. servicemen killed in the Korean War to a U.S. congressional delegation for the 1st time since 1954.

KOREA, SOUTH

(See also *Japan*)

May 9—In Seoul, in the largest anti-government protest in 3 years, several thousand students protest the consolidation of power by the ruling party; the students later set fire to the U.S. Information Service building.

May 18—In Kwangju, more than 50,000 people gather to commemorate the 10th anniversary of the Kwangju uprising crushed by government troops, which resulted in more than 200 deaths; later, students and riot police clash for several hours.

May 20—For a 3d day, 10,000 anti-government protesters in Kwangju clash with police.

LEBANON

May 12—In continued conflict in East Beirut, rival Christian factions shell each other with rockets and heavy artillery, leaving 8 people dead and 30 wounded. The fighting in the Christian sector of East Beirut has been continuous since the end of January in spite of announced cease-fires.

May 15—Lebanese newspapers report that General Michel Aoun has said he will step down as leader of the government if the Maronite Catholic Church requests it.

LIBERIA

(See also *U.S., Foreign Policy*)

May 18—President Samuel K. Doe asks Liberians to fight anti-government rebels.

May 23—Acting Information Minister Moses Washington says rebels have captured Buchanan, the country's 2d largest city

and main port for iron ore exports.

May 27—Northeast of Monrovia, rebels begin a new offensive in the 5-month insurgency.

MADAGASCAR

May 13—Madagascar Radio is seized by rebels as part of an abortive attempt to overthrow the 15-year-old government of President Didier Ratsiraka. The government sends a commando team to capture the rebels.

MEXICO

May 12—Pope John Paul II ends a 6-day visit to Mexico; he tells Mexican bishops that they have a duty to speak out on social issues.

MONGOLIA

May 4—President Punsalmaagiyn Ochirbat arrives in Beijing to discuss economic ties and improved relations between China and Mongolia; this is the 1st visit of a Mongolian President to China since 1962.

MYANMAR

May 1—Amnesty International reports that "severe human rights violations," including the torture of political detainees, have continued "at a very high level" in Myanmar.

May 28—Results of the May 27 national elections give a landslide victory to the opposition National League for Democracy, whose leader, Aung San Suu Kyi, is under house arrest. Spokesmen for the military government say the military will hand over power after the National Assembly writes a new constitution and forms a new government.

NEPAL

May 11—Without consulting Prime Minister K.P. Bhattarai, King Birendra asks a panel to rewrite the constitution.

NETHERLANDS

(See *Intl, EBRD*)

NICARAGUA

(See also *U.S., Legislation*)

May 5—Contra rebels agree to begin disarming on May 8; President Violeta Barrios de Chamorro says she will begin to reduce the size of the Sandinista army.

May 11—60,000 government workers strike, demanding that their pay be tripled. Chamorro says the government cannot afford the raises because the treasury is bankrupt.

May 14—The government decrees public worker strikes illegal and threatens to fire workers who do not return to work by May 15.

May 15—Workers loyal to the Sandinistas ignore government threats and continue to occupy government buildings.

May 17—The strike ends after the government grants concessions to the Sandinista-led labor unions, including a 25 percent salary increase (in addition to a 60 percent raise approved earlier this month) and reinstatement of workers dismissed in the course of the strike.

PAKISTAN

(See *U.S., Foreign Policy*)

PANAMA

(See *U.S., Foreign Policy*)

PHILIPPINES

May 1—At Clark Air Base, several people are injured after demonstrators protesting the presence of U.S. military bases clash with police.

May 11—In Manila, a Philippines Airlines plane explodes on the runway, killing 7 people; officials suspect that there was a bomb aboard the plane.

May 14—As hundreds of anti-American demonstrators clash with police in Manila, talks begin to decide the future of U.S. military bases in the Philippines. Richard L. Armitage, the leader of the U.S. negotiating team, says that the U.S. is willing to end its security relationship with the Philippines if Philippine officials demand it.

The Communist New People's Army warns that it will kill more Americans if the bases are not closed. On May 13, 2 U.S. servicemen were killed near Clark Air Base.

May 15—Government officials tell the U.S. that the military bases agreement will not be extended after it expires in 1991; a new treaty may still be negotiated, according to Philippine and American officials.

Communist rebels take responsibility for killing the 2 American soldiers on May 13.

May 16—Philippine negotiators at the bases talks say that the future of U.S. bases depends on U.S. payment of more than \$200 million in unpaid annual rent previously agreed on for the bases.

May 18—Talks between Philippine and American negotiators end; discussions on the future of the American military bases will continue.

POLAND

(See also *U.S., Foreign Policy*)

May 27—Elections for local community councils are held throughout Poland, the 1st free elections since World War II.

May 28—Lech Walesa, the leader of the Solidarity trade union, convinces rail workers to end their 2-week strike.

ROMANIA

(See also *Vatican*)

May 8—Anti-government protesters walk out of a meeting with President Ion Iliescu and continue demonstrations asking him to resign.

May 20—In the 1st free national elections, the National Salvation Front (composed of former Communists) wins by a wide margin.

May 22—Anti-government demonstrators protest the victory of the NSF; Iliescu offers to form a coalition but opposition leaders do not agree.

SOUTH AFRICA

(See also *France*)

May 2—The government begins its 1st formal discussions with the African National Congress (ANC), whose delegation is led by Nelson Mandela.

May 4—The government's talks with the ANC conclude, with the establishment of a committee on the release of political prisoners and immunity for political offenses.

May 8—*The New York Times* reports that the ANC has won the support of most leaders in the black homelands.

De Klerk departs on a tour of 9 European nations to ask for "constructive contributions" to help South Africa.

May 16—The government announces that segregated public hospitals will be open to all races, effective immediately.

May 21—The government says it is ready to consider alternatives to the system of segregated townships.

May 26—Conservative party leader Andries Treurnicht urges white South Africans to resist de Klerk's plans to end apartheid.

SYRIA

May 2—Egyptian President Hosni Mubarak arrives in Damascus for talks with Syrian President Hafez Assad; Mubarak is

the 1st Egyptian President to visit Syria in 13 years.

TAIWAN

May 2—President Lee Teng-hui selects Defense Minister Hau Pei-tsun to succeed Lee Huan as Prime Minister.

May 20—Lee Teng-hui is inaugurated as President; he says he will reverse the government's formal state of war with the Communist government on the mainland and will restore the civil rights of some 300 dissidents.

U.S.S.R.

(See also *Intl, Arab League, Arms Control, GATT, NATO; Germany, West; U.K., Great Britain; U.S., Foreign Policy*)

May 1—In Moscow, President Mikhail Gorbachev and his government officials are jeered by impromptu marchers after the May Day parade in Red Square; some protesters ask Gorbachev to resign.

May 2—Lithuanian President Vytautas Landsbergis asks French President François Mitterrand and West German Chancellor Helmut Kohl to mediate in an effort to gain independence for Lithuania.

May 3—Anatoly Gorbunov, a former Communist party official, is reconfirmed as president of Latvia.

May 4—The Latvian parliament declares the beginning of a transition period to lead to Latvian independence.

May 6—Gorbunov says Latvia will not suspend the Soviet constitution while it moves toward independence.

May 7—The Latvian parliament selects Ivars Godmanis, a leader of the Latvian Popular Front, as prime minister.

May 12—Parliament considers a law that would impose criminal penalties for remarks that "insult or slander" the President, made in public or in the media.

The presidents of Latvia, Estonia and Lithuania meet in Tallinn and agree to a joint effort to gain independence; they revive the Baltic Council, originally formed in 1934.

May 14—Gorbachev rejects the announcements of imminent independence by Latvia and Estonia, but does not announce economic sanctions.

May 15—Anti-independence protesters storm parliament buildings in Latvia and Estonia. Most of the protesters are ethnic Russians; many are members of the military.

Ending an 18-year estrangement between Egypt and the Soviet Union, Egyptian President Hosni Mubarak and Gorbachev meet in Moscow; they condemn the settlement of Soviet Jewish emigrants in Israeli-occupied territories.

May 16—The Lithuanian government agrees to suspend laws it has passed since declaring independence on March 11; it offers to discuss a transition period toward independence.

May 17—Gorbachev meets with Lithuanian Prime Minister Kazimiera Prunskiene in the Kremlin; he agrees to begin negotiations if the Lithuanian parliament suspends its declaration of independence.

May 20—To relieve the chronic housing shortage, Gorbachev tells the government to allow the creation of a private housing market.

May 21—To protest the moves toward Estonian independence, non-Estonian workers in Estonia strike, disrupting transport and closing some industrial plants.

May 22—Gorbachev and his Cabinet approve plans to double average food prices in a 5-year transition to a "regulated market economy." Bread prices will rise by 200 percent on July 1; other foodstuff prices will follow in January, 1991. Prices for food staples will continue to be regulated.

The Lithuanian parliament rejects the plan to suspend its declaration of independence.

May 23—The government says it will conduct the Soviet Union's 1st nationwide referendum on economic policy before the end of 1990.

The Soviet Union signs its 1st oil exploration and production agreement with a Western company, the French government-owned Elf Aquitaine.

May 24—Lithuanian officials say Gorbachev has agreed to permit Lithuanian independence in 2 years and to lift economic sanctions immediately, if the declaration of independence is suspended.

Prime Minister Nikolai Ryzhkov proposes an economic reform package that mixes some free-market policies with government regulations.

May 26—After 2 days of panic buying in reaction to upcoming price increases, Gorbachev appears on national television, asking for calm during a "tense . . . and dangerous" period.

May 27—Tass, the official press agency, reports that in Yerevan, Armenia, Soviet troops escorting a passenger train were ambushed; in returning fire, they killed 6 people.

May 28—In Moscow, shoppers must show proof of residency to buy food, clothing and household goods.

May 29—In a 3d round of elections, Boris N. Yeltsin is elected president of the Russian Republic by 4 votes.

May 30—In his 1st press conference, Yeltsin says the Russian republic should be free of "dictates of the center"; he proposes turning over power to local and republic authorities.

UNITED KINGDOM

Great Britain

(See also *Intl, IMF; Germany, West*)

May 9—Meeting with Lithuanian Prime Minister Kazimiera Prunskiene in London, Prime Minister Margaret Thatcher urges Lithuania to use moderation and compromise in its quest for independence.

UNITED STATES

Administration

May 3—President George Bush names William Taylor to succeed L. William Seidman as chairman of the Federal Deposit Insurance Corporation and Resolution Trust Corporation when Seidman resigns his post.

May 8—The Environmental Protection Agency (EPA) announces its latest standards for treating hazardous waste in landfills and underground wells, "assuring safe management of these wastes."

May 11—Deputy Attorney General Donald B. Ayer resigns.

May 15—President George Bush meets with congressional leaders to begin negotiations on the fiscal 1991 budget and to discuss ways to reduce the federal deficit; Richard Darman, director of the Office of Management and Budget, says the deficit may reach \$190 billion in fiscal 1991.

Economy

May 4—The Labor Department reports that the nation's unemployment rate rose to 5.4 percent in April.

May 8—The Resolution Trust Corporation agrees to allow local managers to lower real estate prices from the appraised value on real estate seized from failed savings and loan institutions.

May 10—At a Washington, D.C., meeting, FDIC chairman L. William Seidman, chairman of the Federal Reserve Board Alan Greenspan and comptroller of the currency Robert Clarke tell the directors of the American Bankers Association that they should continue to lend money using "their good judgment" to credit-worthy customers to help prevent regional pockets of tight currency.

May 11—The Labor Department reports that its producer price index fell 0.3 percent in April.

May 17—The Commerce Department reports that the U.S. foreign trade deficit rose to \$8.4 billion in March.

May 22—Officials of the FDIC report that by the end of 1989, its fund held only 70 cents for every \$100 of insured deposits in commercial banks; according to financial experts the figure should be \$1.25 for every \$100; last year the fund lost \$851 million because of the failure of 206 banks.

Treasury Secretary Nicholas Brady tells the Senate Banking Committee that the \$73 billion appropriated by Congress in 1989 to bail out the savings and loan industry will have to be raised to at least \$89 billion and possibly to \$130 billion; the total cost may approach \$500 billion over the next 30 years.

May 24—The Commerce Department issues a revised figure of 1.3 percent for the annual growth rate of the gross national product (GNP) for the 1st quarter of 1990.

May 30—The New York Stock Exchange's Dow Jones Industrial Average of 30 blue chip stocks closes at a new record high of 2,878.56.

The Commerce Department reports that its index of leading economic indicators declined 0.2 percent in April.

Foreign Policy

(See also *Intl*, *Arab League*, *Arms Control*, *IMF*, *UN*; *Chile*; *Dominican Republic*; *El Salvador*; *Germany, West*; *Iraq*; *Korea, North*; *Korea, South*; *Philippines*)

May 1—The State Department advises U.S. citizens to leave Liberia because of "increased instability"; it announces the suspension of the Peace Corps program there.

May 3—Lithuanian Prime Minister Kazimiera Prunskiene talks with President Bush at the White House.

May 6—Secretary of State James Baker 3d visits Warsaw in an effort to reassure Poland that a united Germany will not try to reclaim German lands now part of Poland. Baker has come from Bonn, where Great Britain, France, the U.S. and the U.S.S.R. met with representatives of East and West Germany to resolve security issues that have arisen as a result of the pending German unification.

May 9—State Department spokesman Richard Boucher reports that the U.S. and Iran have reached a tentative agreement on some 2,500 small financial disputes on amounts up to \$250,000; the disputes arose after the break in U.S.-Iranian relations after Iran's 1979 revolution.

May 15—Eugene Lawson, vice chairman of the Export-Import Bank, and Reginald Brown, assistant administrator of the Agency for International Development, announce a new \$500-million export credit fund that would help fund the purchase of American products by foreign countries.

Presidential spokesman Marlin Fitzwater says President Bush is sending 3 top officials to India and Pakistan in an attempt to ease their tensions over the disputed territory of Kashmir.

May 16—In Moscow, Secretary Baker and Soviet Foreign Minister Eduard Shevardnadze begin 4 days of discussions about arms control agreements.

May 17—President Bush meets at the White House with West German Chancellor Helmut Kohl; President Bush and Kohl agree that a united Germany should remain in NATO.

May 24—President Bush confirms that he is renewing the most-favored-nation (MFN) trading status for China; he indicates that he will not grant the same status to the Soviet Union so long as Soviet-Lithuanian difficulties have not been resolved.

Assistant Secretary of State for Near Eastern Affairs John Kelly testifies to Congress that the administration believes that the PLO has kept its promise to refrain from terrorism.

May 28—American and Soviet negotiators conclude a trade agreement that will facilitate stronger economic ties; in separate negotiations, they agree to triple airline capacity between the U.S. and the Soviet Union.

May 31—The State Department orders its nonessential personnel to leave Liberia; it announces that the U.S. is sending ships to evacuate Americans from Liberia.

Labor and Industry

May 29—Drexel Burnham Lambert Inc., the brokerage branch of Drexel Burnham Lambert Group Inc., files for bankruptcy protection under Chapter 11.

Legislation

May 25—President Bush signs a special \$4-billion appropriations bill that provides \$720 million in aid for Panama and Nicaragua and \$400 million in housing loans for the settlement of Soviet Jews in Israel; the balance will benefit various U.S. domestic programs. The House passed the bill on May 24 and the Senate approved it on May 25.

Military

May 24—After scientists testing Navy gunpowder for 16-inch guns find "unexplained ignition" of some gunpowder, the Navy reopens its investigation into the explosion in a 16-inch gun turret on the U.S.S. *Iowa* in April, 1989; at the same time, Navy Secretary Laurence Garrett 3d orders a halt to the firing of 16-inch guns on Navy battleships.

Science and Space

May 20—The first photos from the Hubble Space Telescope are received and released by NASA (National Aeronautics and Space Administration); the results are better than expected at this early stage of operation.

Supreme Court

May 21—The Court rules unanimously to uphold a lower court ruling: the Federal Energy Regulatory Commission has authority over state regulations in setting environmental standards for federally licensed electric installations.

Ruling 9 to 0 to overturn a lower appeals court, the Court says that the Victims Crime Act of 1984 (which says that an individual convicted of a federal crime must pay a "special assessment" to a fund for crime victims) is constitutional.

May 29—The Court rules 5 to 4 to uphold a lower court ruling that a man convicted of drunken driving in which a death occurred cannot later be tried for homicide; this ruling expands the double-jeopardy provision of the Fifth Amendment.

VATICAN

(See also *Mexico*)

May 15—The Vatican and Romania reestablish diplomatic ties after a lapse of 40 years.

YEMEN, NORTH

May 21—Parliament approves President Ali Saleh's proposal to merge with Marxist South Yemen, effective immediately. South Yemen's Parliament has also approved the merger, with Sana as the capital.

May 22—The 2 Yemens are unified, taking the name "the Yemeni Republic." Saleh will be President; a southerner chosen by both Parliaments is to be Vice President. National elections will be held at the end of 1992.

YEMEN, SOUTH

(See *Yemen, North*)

YUGOSLAVIA

May 6—The 2d round of parliamentary elections is held in Croatia.

May 8—Results of the May 6 elections show that the Croatian Democratic Union, a conservative nationalist party, has won two-thirds of the 80 seats in the Croatian parliament.

June, 1990

INTERNATIONAL

Arms Control Summit

June 1—At Camp David, U.S. President George Bush and Soviet President Mikhail Gorbachev agree to reduce their reserves of long-range nuclear weapons by 30 percent and to establish “the basic provisions of a strategic arms treaty by the time of their next Washington meeting”; they also sign agreements reducing their stockpile of chemical weapons by some 80 percent; a total of 15 agreements, protocols and joint statements are signed. President Bush agrees to sign a trade and tariff agreement beneficial to the Soviet Union, not to be implemented until the Soviet Union stabilizes its emigration policies.

June 3—The summit concludes; little progress has been made on German membership in NATO and Lithuanian issues.

Presidents Bush and Gorbachev issue a statement asking the Ethiopian government to stop bombing the port of Maseru so that food relief can enter.

Central American Summit

June 17—The Presidents of Guatemala, El Salvador, Honduras, Costa Rica and Nicaragua meet in Antigua to discuss economic matters; the President of Panama attends as an observer.

June 18—U.S. Secretary of State James Baker 3d addresses the meeting; he outlines a series of measures to coordinate international aid to the Central American region.

Conference on Security and Cooperation in Europe

June 29—The conference ends a 4-week session in Copenhagen; 35 nations endorse multiparty democracy and the rule of law.

Coordinating Committee on Multilateral Exports (CoCom)

June 7—The 17 members of this Western technology-export watchdog group agree to remove some restrictions on the sale of some high technology to Warsaw Pact nations.

European Community (EC)

June 25—Meeting in Dublin, the 12 EC members agree to work for political union.

June 26—EC leaders agree on steps to promote billions of dollars in aid to the Soviet economy.

International Monetary Fund (IMF)

(See *Peru*)

London Agreement on Ozone

June 29—Meeting in London, 93 nations agree to a protocol to halt by the year 2000 the production of chemicals that destroy the ozone shield above the earth.

North Atlantic Treaty Organization (NATO)

(See *Intl, Arms Control Summit; U.S.S.R.; U.S., Foreign Policy*)

Organization of American States (OAS)

(See *Mexico*)

Palestine Liberation Organization (PLO)

(See also *Lebanon; U.S., Foreign Policy*)

June 11—The PLO press agency issues a statement that opposes “any military acts that target civilians” but declines to denounce specifically the Palestinian raid on the Israeli coast near Tel Aviv on May 30.

June 13—Palestinian officials say that the PLO has opened an internal investigation of the May 30 Palestinian raid to determine whether the targets of the assault were civilians.

United Nations (UN)

June 12—A UN team arrives in Johannesburg, South Africa, for a week-long visit to monitor progress in the dismantling of apartheid. South Africa is a UN member but has been barred from sitting in the General Assembly because of its apartheid policies.

June 22—Nelson Mandela, the leader of the anti-apartheid African National Congress (ANC), addresses the General Assembly and calls for continued sanctions against South Africa.

Warsaw Treaty Organization (Warsaw Pact)

(See also *Intl, CoCom; U.S.S.R.*)

June 7—Meeting in Moscow, Pact members agree to study means of transforming their organization into a more democratic alliance that no longer regards Western nations as “ideological enemies.”

ALGERIA

June 13—In the 1st free elections since Algeria became independent in 1962, the Islamic Salvation Front (FIS) wins a majority in provincial council and municipal balloting; the FIS advocates transforming Algeria into an Islamic republic. The secularist National Liberation Front retains control of the government.

ARGENTINA

June 7—Representatives of the central bank meet with leading bankers in New York; they make a payment of \$40 million toward Argentina's total past-due loan interest of \$6.1 billion (the loan principal totals about \$30 billion).

BRAZIL

June 18—Amnesty International reports that Brazilian police have continued to torture and occasionally kill prisoners, mostly criminal suspects (rather than political prisoners), although military rule ended 5 years ago.

BULGARIA

June 10—In parliamentary elections held today, the Bulgarian Socialist party (the former Communist party) wins about 48 percent of the vote; the opposition Union of Democratic Forces wins about 34 percent.

June 11—More than 50,000 anti-Communist demonstrators rally in front of the National Assembly in Sofia; opposition leaders say they will continue their fight against former Communists and refuse to form a coalition government with them.

June 18—In runoff elections for undecided parliamentary seats, the Socialist party wins an additional 39 seats; they now hold 211 of the 400 seats.

CAMBODIA

June 4—After the Khmer Rouge boycotts the meeting, a new session of talks in Tokyo among the 4 competing Cambodian factions ends after only 25 minutes.

June 5—In Tokyo, Prince Norodom Sihanouk, leader of the non-Communist opposition, signs a communiqué with Prime Minister Hun Sen that calls for establishing a Supreme National Council by the end of July to rule the country until elections are held; the Khmer Rouge opposes the communiqué.

June 24—*The New York Times* reports that Hun Sen's government claims there was a coup attempt last week; diplomats reportedly doubt this claim.

CANADA

- June 10—Prime Minister Brian Mulroney and 7 of the 10 provincial leaders sign the 1987 Meech Lake constitutional accord, which gives special status to Quebec province.
- June 22—A spokesman for Mulroney concedes that the deadline for passage of the Meech Lake accord will pass this evening; Manitoba and Newfoundland provinces have refused to adopt it.
- June 23—Mulroney pledges to keep Canada intact but offers no new proposals.

CHINA

(See also *U.K., Hong Kong*)

- June 3—At Beijing University, hundreds of students march in commemoration of the pro-democracy protesters killed in Tiananmen Square on June 4, 1989. The square, in central Beijing, is sealed off to the public by police.
- June 6—The government announces that it has released 97 people who were involved in the 1989 pro-democracy movement, including 2 student leaders.
- June 25—The government allows dissident Fang Lizhi and his wife Li Shuxian to leave their refuge in the U.S. embassy in Beijing for Britain; in a letter Fang submitted to the government asking permission to leave for medical treatment, he admitted violating the Chinese constitution and promised not to engage in anti-Chinese activities. Fang and his wife took refuge at the embassy in June, 1989.

COLOMBIA

- June 14—Near Medellín, an elite police corps shoots and kills Juan Jairo Arias Tascón, the leader of the armed organization in the Medellín drug cartel, after he resists arrest.

COSTA RICA

(See *Intl, Central American Summit*)

CZECHOSLOVAKIA

- June 6—Milos Jakes, the former leader of the Communist party, is detained for questioning in connection with "criminal offenses" relating to the Soviet-led invasion of Czechoslovakia in 1968.
- June 12—President Vaclav Havel asks incumbent Prime Minister Marian Calfa to form a government.
- June 27—The new government is sworn in. At the Parliament's 1st session, it elects Alexander Dubcek as chairman of the Federal Assembly.

DOMINICAN REPUBLIC

- June 11—The Central Electoral Board announces that President Joaquín Balaguer won the May 16 election by less than 25,000 votes.

EL SALVADOR

(See *Intl, Central American Summit*)

ETHIOPIA

(See *Intl, Arms Control Summit*)

FRANCE

(See *Germany, West*)

GERMANY, EAST

(See also *Germany, West; U.S., Foreign Policy*)

- June 17—The Parliament debates a motion that calls for immediate unification with West Germany; it votes to postpone the decision. West German Chancellor Helmut Kohl attends the session.

GERMANY, WEST

(See also *Intl, Arms Control Summit; U.S.S.R.*)

- June 18—In a televised interview, Chancellor Helmut Kohl says that all-German elections in December are "coming near to being very, very likely."
- June 21—The West German Parliament adopts a resolution guaranteeing Poland's borders, while the East German Parliament approves a treaty on monetary and economic union. This is the 1st time both Parliaments have approved matching measures to move toward unification. Monetary and economic union is scheduled to take effect July 1.
- June 22—The government says it will guarantee a bank credit of about \$3 billion for the Soviet Union, the largest single credit from a Western bank to the Soviet Union.
- The "two plus four" talks on German unification begin in Berlin. Soviet Foreign Minister Eduard Shevardnadze proposes that international support of German unification include the withdrawal of all foreign troops from Germany and limits on the German military; the U.S., Britain and France immediately reject the proposal as an unnecessary restriction on German sovereignty.

In West Berlin, Checkpoint Charlie, the main Allied checkpoint between East and West Berlin, is dismantled.

GUATEMALA

(See *Intl, Central American Summit*)

HAITI

- June 21—In Port-au-Prince, gunmen fire automatic rifles at officials meeting to discuss a recent surge of pre-election violence. Elections are scheduled for late September.
- June 23—The electoral college indefinitely postpones the announcement of a date for the next national elections.

HONDURAS

(See *Intl, Central American Summit*)

INDIA

- June 11—India agrees to lift its trade embargo on Nepal, effective July 1, and to negotiate a new trade agreement with Nepal. Trade restrictions were imposed in March, 1989, after Nepal refused to sign a treaty that covered both trade and transit.
- June 19—*The New York Times* reports that Kashmiri separatist rebels have started a concentrated campaign of attacks on the Indian army; the rebels are calling for general strikes as part of their fight for independence.

IRAN

- June 15—An official of the Iran-U.S. Claims Tribunal says that Iran has agreed to pay the Amoco oil company \$600 million for installations seized during the Islamic revolution in 1979; American oil companies have filed claims totaling \$1.8 billion for seized property.
- June 21—An earthquake measuring 7.7 on the Richter scale strikes northwest Iran near the Caspian Sea, the worst earthquake in Iran since 1978.
- June 22—The official Islamic Republic News Agency reports that 29,000 have been killed and 28,000 have been injured as a result of the earthquake. There have been more than 1,000 aftershocks from the June 21 trembler, causing landslides that have blocked roads and cut electric lines.

ISRAEL

(See also *Intl, PLO; U.S., Foreign Policy*)

- June 3—In response to remarks by Soviet President Mikhail Gorbachev, the senior adviser to Prime Minister Yitzhak

Shamir says Israel does not plan to settle Soviet Jewish immigrants in the occupied West Bank and Gaza Strip.

June 4—Shamir says Israel will not tell Soviet immigrants where they may live in Israel.

June 8—Shamir announces that he has formed a new coalition government that consists entirely of right-wing and religious parties.

June 11—The Knesset approves the new government by a narrow margin.

June 13—Shamir announces restrictive new conditions for peace talks, limiting Palestinian representation to those who do not oppose "limited autonomy" in the occupied West Bank and Gaza Strip.

June 18—Shamir invites Syrian President Hafez Assad to Jerusalem for peace talks.

June 24—Housing Minister Ariel Sharon says that as a policy the government will not settle Soviet immigrants in the occupied West Bank or Gaza Strip.

June 26—Assad rejects Shamir's invitation, calling it a "trick."

June 28—In a letter to U.S. President George Bush, Shamir reiterates his refusal to accept American proposals for peace talks with Palestinians; he blames "Arab intransigence" for the current deadlock.

JAPAN

(See also *U.S., Foreign Policy*)

June 18—Prime Minister Toshiki Kaifu orders an investigation of the stock-trading activity of Mitsuo Ando, Kaifu's aide in charge of fund raising; after taking office, Kaifu ordered members of his Cabinet to suspend stock trading to avoid a repetition of the 1989 Recruit scandal that brought down his predecessor's government.

June 19—American and Japanese officials announce that the U.S. military has agreed to return to civilian use a small portion of the land in Okinawa currently used for military installations; Okinawans have demanded the return of all territory to civilian use.

June 20—After 2 explosions, fire breaks out aboard the U.S. aircraft carrier *Midway* 125 miles from the main U.S. naval base in Japan at Yokosuka; 16 crew members are injured. The carrier was headed north for joint naval exercises.

KOREA, SOUTH

June 4—President Roh Tae Woo meets Soviet President Mikhail Gorbachev in San Francisco; this is the 1st time a South Korean President has met a Soviet leader. Roh says that they plan to establish diplomatic relations.

June 12—In Kwangju, radical students firebomb the American Cultural Center 1 day after it was reopened after repairs; the center was closed in May, 1989, because of damage from frequent firebomb attacks.

KUWAIT

June 11—Returns from the June 10 national elections show that government supporters won all the available seats in a new transitional 75-seat Parliament; the opposition boycotted the election.

LEBANON

June 17—Palestinian officials say that, after a 2-day battle south of Beirut, supporters of terrorist Abu Nidal have been routed by followers of PLO chairman Yasir Arafat; Nidal's group, the Fatah Revolutionary Council, is responsible for terrorist attacks that have killed or injured at least 900 people in the last 17 years.

June 19—Breaking a truce that has been in effect since May 26, fighting between rival Christian factions resumes in East Beirut; 3 people are killed and 7 are wounded. Clashes be-

tween Muslim guerrillas and Christian militia are also reported in southern Lebanon.

LIBERIA

June 1—President Samuel K. Doe says that he will not seek reelection in 1991.

June 3—Western and African diplomats report that, after a week-long battle, rebel forces led by Charles Taylor have taken the 3d largest city, Gbarnga; they already hold Buchanan, the most important port city.

June 5—The rebels capture the Firestone Tire and Rubber Company plantation, the country's largest employer.

June 8—Western diplomats report that hundreds of Liberians, mostly Mandingos, have been killed in ethnic violence; the rebels believe that the Mandingos support the government.

June 27—In Monrovia, troops shoot at anti-government protesters; they continue to shoot indiscriminately even after the protesters scatter.

MEXICO

(See also *U.S., Foreign Policy*)

June 3—The Organization of American States (OAS) warns the government that it must "guarantee the free and full exercise of political rights." Opposition parties have charged that the ruling party committed election fraud in 1985 and 1986.

MOZAMBIQUE

June 12—Government and Renamo (National Resistance of Mozambique) representatives arrive in Blantyre, Malawi, for their 1st peace talks in 13 years of civil war.

June 13—The peace talks break down shortly before they are to begin; the government blames the Renamo rebels.

NEPAL

(See also *India*)

June 12—King Birendra decrees a blanket amnesty for people who have been charged with encouraging the religious conversion of Nepalese; the constitution bans religious conversion.

NICARAGUA

(See also *Intl, Central American Summit*)

June 15—President Violeta Barrios de Chamorro says she has ordered a reduction of one-third in the Nicaraguan army, to be completed by August 3; she also orders the creation of an all-volunteer army.

June 27—Contra leaders surrender their weapons to Chamorro in a symbolic end to their war against the government.

PANAMA

(See *Intl, Central American Summit*)

PERU

June 10—In national elections held today, Alberto Fujimori is elected President, defeating novelist Mario Vargas Llosa.

June 29—Fujimori reaches an agreement with the IMF to resume Peru's debt payments and stabilize its economy.

PHILIPPINES

June 5—The Supreme Court rules that the government cannot charge Senator Juan Ponce Enrile with murder, nullifying the criminal case against him in connection with the failed coup in December, 1989. He may still be charged in a lower court with rebellion.

June 9—The police say that 2 robbery suspects, not Communist guerrillas, killed a U.S. Marine near Subic Bay Naval Station on May 4.

June 27—Peace Corps officials say they have ordered their 261

volunteers to leave the Philippines after reports that they are now targets of Communist rebels.

POLAND

(See *Germany, West*)

ROMANIA

- June 13—In Bucharest, troops shoot anti-government demonstrators, killing at least 4 people and injuring 93, after protesters set fire to police headquarters and raid the state television offices.
- June 14—Thousands of miners from northern Romania travel to Bucharest, attack anti-government demonstrators with wooden clubs and rubber truncheons and take over the main square. President Ion Iliescu has asked them to rescue the government from a "fascist rebellion."
- June 18—The House of Deputies, where the ruling National Salvation Front holds a majority, votes to allow the "forces of law and order" to end the demonstrations.
- June 19—Defying government crackdowns on protest, several thousand demonstrators gather in Bucharest; the Interior Ministry announces the arrest of 2 opposition leaders in connection with the month-long anti-government protests.
- June 20—Iliescu is inaugurated as President; he reappoints Prime Minister Petre Roman to act until Parliament forms a new government.

SAUDI ARABIA

(See *U.S., Foreign Policy*)

SOUTH AFRICA

(See also *Intl, UN; U.S., Foreign Policy*)

- June 7—President F. W. de Klerk announces that state-of-emergency regulations will be lifted in 3 of the 4 provinces; restrictions will remain in Natal province, where black factional fighting continues.
- June 19—Parliament votes to repeal the 1953 Separate Amenities Act; this effectively removes the legal justification for segregation in public facilities. The Conservative party opposes the repeal.
- June 27—On televised broadcasts aimed at black viewers, de Klerk says that he is ready to negotiate a constitution that eliminates the remaining apartheid laws.

SRI LANKA

- June 16—After 2 weeks of negotiations and 5 days of intense fighting that resulted in at least 376 deaths, Tamil rebels and the government declare a cease-fire in their 7-year conflict.

SYRIA

(See *Israel*)

U.S.S.R.

(See also *Intl, Arms Control Summit, EC; Germany, West; Israel; Korea, South; U.S., Labor and Industry*)

- June 1—In Moscow, official representatives from Estonia and Lithuania meet with Boris N. Yeltsin, the recently elected president of the Russian republic.
- June 4—Vladimir A. Ivashko, the Communist party leader of the Ukraine, is elected president of the Ukraine by the Ukrainian parliament.
- June 6—The Soviet press reports that in Osh, Kirghizia, 40 people have been killed and hundreds have been wounded in riots that originated 3 days ago over land disputes between Kirghiz and Uzbeks. Soviet troops have fired machine guns and tear-gas grenades in an attempt to quell the uprising.
- June 7—Riots in Kirghizia spread to the republic's capital, Frunze; mobs demand that the local government resign.

Tass, the official press agency, reports that the fighting has spilled over into Uzbekistan.

- June 8—Uzbek President Islam Karimov imposes a state of emergency in Uzbekistan and asks President Mikhail Gorbachev for help to end the violence.
- June 11—West German Foreign Minister Hans-Dietrich Genscher and Soviet Foreign Minister Eduard Shevardnadze meet in Brest to discuss the military and political problems of German unification.
- June 12—The Congress of People's Deputies approves a law prohibiting "censorship of mass information."
- Gorbachev agrees that West German troops may remain in NATO; he does not insist on East German membership in the Warsaw Pact. Western nations demand that unified Germany should belong to NATO unconditionally.
- Gorbachev meets with the leaders of Estonia, Latvia and Lithuania in Moscow; he calls for a new Soviet federation in which all republics would be "sovereign states" with control over their own affairs.
- June 13—The government eases its fuel embargo on Lithuania slightly, doubling the flow of natural gas to 1 factory.
- The Congress supports Gorbachev's plan to overhaul the economy but postpones a decision on raising bread prices.
- June 14—By a wide margin, the Congress rejects Gorbachev's proposal to raise bread prices.
- June 16—The Lithuanian government agrees to suspend its drive for independence if the Soviet government ends economic sanctions and starts to negotiate a compromise.
- June 19—At a meeting of Russian Federation Communists, Gorbachev defends his economic reform program.
- June 21—At a session of the Russian Communist party congress, Gorbachev denies that he is circumventing the party in his plans for economic reform.
- June 23—Ivan K. Polozkov, a critic of Gorbachev's policies, is elected as the leader of the Communist party in the Russian republic.
- June 26—Lithuanian president Vytautas Landsbergis meets Gorbachev in Moscow before returning to Vilnius for a parliamentary session to decide whether to suspend Lithuania's declaration of independence.
- June 29—Voting 69 to 35, the Lithuanian parliament approves a resolution to suspend its independence drive for 100 days.
- June 30—The government resumes oil shipments through the pipeline to Lithuania.

UNITED KINGDOM

Great Britain

(See also *China; Germany, West*)

- June 2—Government officials say that the Irish Republican Army (IRA) is apparently increasing its attacks on British soldiers outside Northern Ireland.
- June 26—The IRA takes responsibility for the June 25 bombing of the Carleton Club, a London club that is frequented by members of the ruling Conservative party. Four people were injured in the blast.

Hong Kong

- June 3—More than 100,000 people rally to commemorate the pro-democracy demonstrators killed by the Chinese army in Beijing on June 4, 1989.

Northern Ireland

(See *U.K., Great Britain*)

UNITED STATES

Administration

- June 22—The U.S. Fish and Wildlife Service declares that the northern spotted owl is a threatened species; the forests in the

U.S. northwest, the owl's habitat, may be subject to severe logging restrictions.

Housing and Urban Development (HUD) official Marilyn Harrell, called "Robin HUD," who pleaded guilty to stealing millions of dollars from HUD to give to the poor, is sentenced to 4 years in prison and a \$600,000-restitution fine.

June 26—Despite his campaign promise not to raise taxes, President Bush states that his negotiations with Congress on cutting the 1991 fiscal budget deficit will require "tax revenue increases."

President Bush orders curtailment of offshore oil and gas drilling in California, Florida, Washington, Oregon and New England until at least the year 2000; he also orders a delay in issuing some new leases.

Economy

June 1—The Labor Department reports that the nation's unemployment rate declined to 5.3 percent in May.

June 14—The Labor Department reports that its producer price index rose 0.3 percent in May.

June 15—The Commerce Department reports that the nation's foreign trade deficit for April fell to \$6.94 billion.

The Labor Department reports that its consumer price index rose 0.2 percent in May.

The New York Stock Exchange's Dow Jones Industrial Average of 30 blue chip stocks closes at a new high of 2,935.89.

June 21—The Commerce Department reports that the nation's gross national product (GNP) grew at an annual rate of 1.9 percent in the 1st quarter of 1990.

June 27—The Commerce Department reports that its index of leading economic indicators rose 0.8 percent in May.

Foreign Policy

(See also *Intl, Arms Control Summit, Central American Summit, China, Germany, West, Israel, Korea, South, Philippines*).

June 7—The Defense Department announces that the administration intends to sell \$4-billion worth of arms to Saudi Arabia; Congress has 30 days to object to the sale.

June 11—In Washington, D.C., President Bush and Mexican President Carlos Salinas de Gortari issue a statement expressing the economic desirability of a free-trade pact between the U.S. and Mexico.

President Bush meets in Washington, D.C., with East German Prime Minister Lothar de Maizière to discuss German unification and the role of NATO.

June 20—Nelson Mandela, leader of the ANC, arrives in New York for a 10-day visit.

President Bush announces that the U.S.-PLO discussions are being suspended; the PLO has refused to condemn an attack by a PLO faction against Israel on May 30.

June 25—Mandela meets with President Bush in Washington, D.C., and refuses to renounce violence as a last resort in South Africa.

June 26—Mandela addresses an enthusiastic joint session of Congress.

June 28—After lengthy negotiations, the U.S. and Japan agree on a trade pact called the Structural Impediments Initiative; the pact outlines steps to reduce Japan's trade surplus with the U.S. and the U.S. budget deficit.

Labor and Industry

(See also *Iran*)

June 4—The Greyhound bus company files for bankruptcy protection under Chapter 11; the company's drivers have been on strike since March 2.

June 7—The General Motors (GM) Corporation signs an agreement to sell \$1 billion in auto parts to the Volga

Automobile Works (VAZ), the Soviet Union's largest auto producer; GM will receive payment in U.S. dollars.

Legislation

June 12—The House votes, 334 to 34, to approve an amendment (already approved by the Senate, 67 to 30) that revises the 1939 Hatch Act; the act was designed to protect civil-service workers from political pressure; the amendment would permit federal employees to take part in many political activities.

By a vote of 64 to 36, the Senate fails (by 3 votes) to override President Bush's veto of a measure that would have continued subsidies for Amtrak; the House voted to override, by a vote of 294 to 123, on June 7.

June 14—In a voice vote, the Senate passes the Family and Medical Leave Act, requiring companies to grant up to 3 months' annual unpaid leave to workers at the birth of a child or because of illness in the immediate family. The House passed the measure in May.

June 15—President Bush vetoes the amendment to the Hatch Act.

June 21—Voting 254 to 177, the House rejects a proposed constitutional amendment to prevent desecration of the American flag.

June 25—The House, by a voice vote, approves a modified version of the Amtrak subsidy bill vetoed by the President.

June 29—President Bush vetoes the Family and Medical Leave Act.

In a voice vote, the Senate approves the Special Supplemental Food Program for Women, Infants and Children (WIC) bill, which restores funds for supplemental food allotments for women and children cut from federal nutrition programs; the House approved the bill on June 28.

Military

(See also *Japan*)

June 8—Defense Department Secretary Dick Cheney orders the Air Force to remove most short-range nuclear missiles from bombers while a safety study is being completed; this is the 1st such withdrawal of an entire class of nuclear weapons, according to the Defense Department.

June 19—Cheney outlines a 5-year plan to reduce the U.S. armed services by 25 percent.

Political Scandal

June 11—In Washington, D.C., U.S. District Court Judge Harold Greene sentences former national security adviser John Poindexter to a 6-month sentence for 5 felony-count convictions in connection with the Iran-contra affair.

Science and Space

June 27—National Aeronautics and Space Administration (NASA) engineers report that distortions in a light-gathering mirror on the \$1.5-billion Hubble Space Telescope will affect 40 percent of its operation; astronauts will not be able to replace the defective part for several years.

June 29—NASA grounds its space shuttles indefinitely until the source of a fuel leak in 2 of the shuttles can be found.

Supreme Court

June 4—The Court rules, 8 to 1, to uphold a lower court ruling that the 1984 Equal Access Act permits student religious groups to meet on school grounds on the same basis as other extracurricular groups.

Overruling a lower court, the Court rules, 8 to 1, that it is not unconstitutional for a law enforcement officer to pose as a prison inmate to extract a confession from another inmate.

June 11—The Court rules, 5 to 4, to uphold a lower court ruling that the Flag Protection Act of 1989 is unconstitutional.

June 14—In a 6-3 ruling, the Court upholds lower courts, saying that police may constitutionally look for intoxicated drivers at police checkpoints; the ruling overturns a 1988 Michigan state court ruling.

June 18—The Court rules, 8 to 1, to overrule a lower court; it rules that videotapes of the booking of a suspect arrested for drunken driving may be introduced as evidence under specific conditions; Fifth Amendment protection does not exclude the use of videotapes.

June 21—The Court rules, 5 to 4, that hiring, promoting or transferring most public employees—not policy-making employees—cannot be based on political affiliation.

June 25—The Court rules, 5 to 4, that a person has a right under the 14th Amendment to avoid unwanted medical treatment if that person's wishes have been clearly stated. The case heard by the Court, however, concerned a comatose woman whose wishes were not known; therefore the state of Missouri can decide to continue her life-support systems against the wishes of her family.

The Court rules, 6 to 3, to uphold an Ohio law, and rules, 5 to 4, to uphold a Minnesota law, allowing the state to require a teenage girl to notify and receive permission from one or both parents before obtaining an abortion; if she does not want to notify her parents, the laws require her to ask for a judicial hearing instead, to rule on her request.

June 27—The Court rules, 5 to 4, that victims of alleged child

abuse may testify on videotape on closed-circuit television, provided that the prosecutor shows that "the child witness would be traumatized" by testifying face to face before the defendant.

The Court rules, 5 to 4, to uphold the constitutionality of 2 affirmative action programs adopted in 1978 by the Federal Communications Commission to increase minority ownership of broadcast licenses.

The Court ends its spring term.

VATICAN

June 26—The Vatican issues a statement saying that Roman Catholic theologians do not have the right to dissent publicly from official church teachings; the document says that open criticism has "seriously harmed" the Church.

YUGOSLAVIA

June 13—In Belgrade, about 30,000 members of opposition groups demonstrate in favor of free multiparty elections in Serbia.

ZAMBIA

June 27—After 3 days of violent protests in Lusaka against increased food prices, President Kenneth Kaunda says he will crack down on rioters.

June 30—A coup attempt fails to overthrow Kaunda.

JULY, 1990

INTERNATIONAL

Association of Southeast Asian Nations (ASEAN)

July 29—U.S. Secretary of State James Baker 3d tells the ASEAN foreign ministers that the U.S. will support encouraging Vietnamese boat people to return to Vietnam, and will not oppose the return of "those who do not object" after counseling.

European Community (EC)

(See *U.K., Great Britain; U.S., Foreign Policy*)

GATT (General Agreement on Tariffs and Trade)

(See *Intl, Group of Seven*)

Group of Seven

July 10—In Houston, the leaders of the 7 industrial democracies fail to agree on unified measures and decide to determine individually how to aid the Soviet Union.

July 11—At the close of the 5-day summit meeting in Houston, the Group of Seven leaders fail to agree on trade policy and measures to deal with the environmental crisis; they proclaim a united goal of fostering worldwide prosperity and a strengthened GATT (General Agreement on Tariffs and Trade).

Group of Twenty-four

July 4—Meeting in Brussels, foreign ministers of 24 leading industrial nations agree on economic and technical aid to East European countries, in addition to assistance already agreed on; no specific pledges are made.

International Bank for Reconstruction and Development (World Bank)

July 15—In a report to be issued on July 16, the World Bank reports that world poverty is expected to decline by the year 2000, except in Africa, where some 85 million more people will be below the Bank's per capita poverty level (\$370 at present); by 2,000, 825 million people worldwide (18 percent) will be living below the poverty level, down from the present 32.7 percent estimated in 1985.

July 17—Bank officials announce that the Bank's income in 1990 will be over \$1 billion for the 6th year in a row.

North Atlantic Treaty Organization (NATO)

(See also *U.S.S.R.*)

July 5—NATO leaders begin a summit conference in London over the organization's future.

July 6—In London, NATO leaders issue a declaration ending 4 decades of cold war; they propose to invite Soviet President Mikhail Gorbachev to address them in Brussels and to look for a new defensive strategy that will make nuclear weapons "truly weapons of last resort." They also assure Warsaw Pact nations that they "will never in any circumstances be the first to use force." They propose that the 2 organizations join in a "commitment to nonaggression."

Organization of Petroleum Exporting Countries (OPEC)

(See also *Iraq*)

July 25—Meeting in Geneva, OPEC members agree to total oil production of 22.5 million barrels a day; Kuwait and the United Arab Emirates agree to lower their production levels to 1.5 million barrels a day.

July 27—In Geneva, OPEC members agree to raise the price of oil by \$3 a barrel through the end of 1990 and to maintain current quota levels.

Palestine Liberation Organization (PLO)

(See *Lebanon*)

United Nations (UN)

(See also *Albania; El Salvador; Germany, West; Haiti; Iran*)

July 11—In Geneva, a UN-sponsored 28-nation meeting on the fate of the Vietnamese boat people is postponed because of irreconcilable differences between the U.S. and Vietnam, and the other conference participants over the principle of 1st asylum.

July 17—Secretary General Javier Pérez de Cuéllar asks the 5 permanent members of the Security Council to assist in trying to resume the stalled Middle East peace process; this is the 1st time he has made such a request.

Warsaw Treaty Organization (Warsaw Pact)(See *Intl, NATO*)**ALBANIA**

July 3—Diplomats report that for several days hundreds of Albanians have taken refuge in foreign embassies in Tirana in an effort to leave Albania. Albanian security forces have reportedly fired on the refugees.

July 10—Czechoslovak officials say that 51 Albanians who took refuge at the Czechoslovak embassy in Tirana have been flown to Prague, where they were granted political asylum.

July 12—5 ships from France, Italy and West Germany meet off the Albanian coast to rescue the more than 4,500 Albanians in refuge at Western embassies in Tirana, as part of a plan negotiated with UN help.

AUSTRIA(See *Germany, West*)**BOLIVIA**(See *U.S., Foreign Policy*)**BRAZIL**

July 4—Economic Minister Zelia Cardoso de Mello says that by 1994, tariffs on raw materials will be eliminated and will be reduced to 20 percent on manufactured imports.

BULGARIA

July 6—Following accusations that he ordered tanks to suppress protests in December, President Petar Mladenov resigns.

July 7—Intellectuals in Sofia say they will demonstrate until their demands are met.

July 10—Bulgaria's 1st freely elected Parliament in 40 years convenes in Veliko Tarnovo, the site of its 1st modern Parliament, convened in 1879.

July 18—Former President Todor Zhivkov agrees to appear before Parliament to answer charges against him relating to his activities while ruler of Bulgaria; Zhivkov was overthrown in November, 1989.

CAMBODIA(See also *China; U.S., Foreign Policy*)

July 27—Cambodian authorities turn over to U.S. custody the remains of what may be 6 servicemen listed as missing in action (MIA's) in the Vietnam war; this is the 1st such transfer since the war ended in 1975.

CHINA(See also *Japan; U.S., Foreign Policy*)

July 3—In Beijing, Foreign Minister Qian Qichen and Indonesian Foreign Minister Ali Alatas agree to restore relations between their 2 countries, effective August 8, ending a 23-year break. Prime Minister Li Peng is expected to go to Jakarta to sign a trade agreement.

July 19—Responding to the July 17 announcement of U.S. withdrawal of support for the Khmer Rouge in Cambodia, Foreign Ministry spokesman Jin Guihua says that China will continue to back the Khmer Rouge as long as Vietnam "does not genuinely withdraw all its troops from Cambodia."

July 22—The government announces that China and Saudi Arabia have established diplomatic relations; China is the 1st Communist country to establish formal relations with Saudi Arabia.

COLOMBIA(See *U.S., Foreign Policy*)**CUBA**

July 13—A televised Czechoslovak report states that

Czechoslovak women and children will soon leave Cuba because of the diplomatic dispute over more than a dozen Cuban refugees in the Czechoslovak embassy. Cuban authorities have refused to negotiate the departure of the refugees.

July 16—After holding 5 Czechoslovak diplomats hostage for several hours, 12 of the refugees release the hostages, surrender and leave the Czechoslovak embassy.

CZECHOSLOVAKIA(See also *Albania; Cuba; Germany, West*)

July 5—By a vote of 234 to 50, Parliament reelects Vaclav Havel as President, for a 2-year term.

July 10—After the government ends subsidies on farm products and foodstuffs, prices in stores rise 25 percent, on average.

ECUADOR(See *U.S., Foreign Policy*)**EGYPT**

July 14—For the 1st time in 13 years, Syrian President Hafez Assad visits Egypt; Syria and Egypt broke off ties after Egypt decided to sign a peace treaty with Israel. Ties were restored in June.

July 16—Assad ends his visit, saying that he is ready to join the peace process to resolve Arab disputes with Israel.

EL SALVADOR

July 10—In talks aimed at meeting a mid-September cease-fire deadline, the government refuses rebel demands to reduce the army's size and to purge its human rights violators.

July 26—Government representatives and opposition guerrillas agree to allow the UN to monitor human rights after a cease-fire is imposed.

FRANCE(See also *Albania*)

July 3—For the 1st time, France agrees to attend talks in Geneva in August to review the treaty on nuclear non-proliferation. France has refused to sign the treaty.

GERMANY, EAST(See also *Germany, West; U.S.S.R.*)

July 2—The government formally agrees to call for all-German elections on December 2.

July 24—Prime Minister Lothar de Maizière insists that East Germany remain a separate entity until after all-German elections; the Free Democratic Alliance opposes this position and withdraws from the ruling coalition.

GERMANY, WEST(See also *Albania; Germany, East; U.S.S.R.; U.K., Great Britain*)

July 1—The 2 Germanys merge their social and economic systems after 40 years of separation; East Germans exchange their currency for West German marks.

July 6—Representatives of the East German and West German governments begin talks in East Berlin to determine a schedule and a legal structure to unify their 2 countries politically by December. The treaty they draft must be ratified by both Parliaments.

July 17—At a 1-day meeting of the "2 plus 4" group in Paris, East and West Germany agree to guarantee the current German-Polish border; Polish Foreign Minister Krzysztof Skubiszewski agrees to accept a formal treaty to that effect subsequent to German unification.

July 26—President Richard von Weizsäcker and Czechoslovak President Vaclav Havel meet with Austrian President Kurt Waldheim in Salzburg; Waldheim, who served as UN Secretary General, has been suspected of having been aware of Nazi war crimes.

GREECE

- July 8—Foreign Minister Antonis Samaras and U.S. Defense Secretary Dick Cheney agree to extend U.S. operation of military bases in Greece for 8 years in exchange for more than \$1-billion worth of armaments; Greece will also receive \$350 million in military credits in 1990-1991.
- July 24—Parliament ratifies the military bases treaty by a narrow margin; the treaty must also be ratified by the U.S. Congress.

HAITI

- July 20—Haiti requests that the UN supervise its elections; it is the 1st UN member to do so.

INDIA

- July 14—Prime Minister V.P. Singh offers his resignation to the leader of the Janata Dal party; 3 Cabinet ministers resigned on July 13 (and other resignations are expected) to protest the reappointment of Om Prakash Chautala, who resigned in May after accusations of election fraud. Singh's offer is rejected.
- July 18—The government reimposes direct rule in Kashmir. Jammu and Kashmir have been administered by a governor since January 18, but continuous separatist violence has made the territory too difficult for the governor to control.

INDONESIA(See *China*)**IRAN**

- July 1—At a news conference, Interior Minister Abdullah Nouri says that the government has no desire to improve relations with the U.S.
- July 3—Meeting at UN offices in Geneva, the foreign ministers of Iran and Iraq hold direct talks for the 1st time since agreeing to a truce in 1988 in preparation for peace treaty negotiations to end their 10-year conflict.
- July 5—In an interview with Iranian journalists, President Hashemi Rafsanjani says that there is a direct link between foreign aid and better relations with foreign countries.

IRAQ(See also *Intl, OPEC; Iran; U.S., Foreign Policy*)

- July 17—President Saddam Hussein says that Arab oil-exporting countries that permit production above OPEC quota levels weaken oil prices; he threatens to use force against them if they do not curb production.
- July 23—The *Washington Post* reports that Iraq has deployed several thousand troops along its border with Kuwait; Hussein has accused Kuwait, along with the United Arab Emirates, of overproducing oil.

ISRAEL(See also *Egypt*)

- July 8—In southern Lebanon, Israeli jets raid a base belonging to the pro-Iranian Party of God (Hezbollah). The base, suspected of being a staging area for raids against Israeli-backed forces in southern Lebanon, is destroyed.
- July 9—Israeli jets raid Party of God bases in southern Lebanon for a 2d day.

ITALY(See *Albania*)**JAPAN**

- July 3—Japan rejects as premature a Soviet suggestion to share ownership of the Soviet-held Kurile islands claimed by Japan; dispute over these islands has prevented Japan and

the Soviet Union from signing a formal peace treaty to end World War II.

- July 6—Prime Minister Toshiki Kaifu says that Japan will not give economic assistance to the Soviet Union until the dispute over the Kurile islands is settled.
- July 18—The deputy foreign minister says that Japan will proceed with a \$5.5-billion subsidized loan to China, in spite of a lack of endorsement from U.S. President Bush.
- July 30—Fujitsu Ltd. announces that it will buy 80 percent of the British mainframe computer manufacturer ICL (International Computers Ltd.) for \$1.29 billion; this will make Fujitsu the 2d largest computer company, behind the International Business Machines Corporation (IBM).

KENYA(See also *U.S., Foreign Policy*)

- July 4—The *New York Times* reports that 2 leaders of Kenya's unofficial opposition have been arrested without charge; they have advocated a multiparty system in Kenya.
- July 9—In the 3d day of clashes between pro-democracy demonstrators and police, 5 people are killed; protests have spread to villages and cities north of Nairobi.

KOREA, NORTH(See also *Korea, South*)

- July 6—The government offers to open its side of the border with South Korea on August 15, Korean Independence Day.

KOREA, SOUTH(See also *Korea, North*)

- July 20—President Roh Tae Woo says the border with North Korea at Panmunjon will be opened for 5 days in August to allow travel by citizens of both countries.
- Responding to this offer, North Korean authorities ask for the demolition of a wall (of tank traps) along their common border, the repeal of laws that prohibit travel to the North and the establishment of a joint committee to resolve border issues.
- All 78 opposition members of the 299-member National Assembly threaten to resign. The 2 major opposition parties, the party for Peace and Democracy and the Democratic party, agree to merge.
- July 21—In Seoul, more than 300,000 anti-government protesters demand general elections and the dissolution of the National Assembly.
- July 26—Senior officials of North and South Korea agree to an exchange of visits by their Prime Ministers in September; the 1st visit will take place in Seoul.

KUWAIT(See *Intl, OPEC; Iraq; U.S., Foreign Policy*)**LEBANON**(See also *Israel*)

- July 16—Syrian-backed Amal militia and the pro-Iranian Hezbollah, rival Shiite Muslim factions, battle for control of an outpost in the south; 18 people are killed and 50 are injured.
- July 18—For a 3d day, rival Shiite militias fight in the south. PLO guerrillas in the area of fighting threaten to force Hezbollah militants to leave.

LIBERIA

- July 1—Outside Monrovia, government troops and rebel forces clash in the worst fighting since the failure of peace talks a week ago; electricity and water have been cut off in the city by rebel attacks.
- July 4—U.S. officials report that the chief of President Samuel K. Doe's personal security force has left the country for Sierra

Leone. U.S. Ambassador Peter De Vos has offered to help Doe leave (but has not offered asylum in the U.S.); he has not accepted.

July 5—Armed forces chief Lieutenant General Charles Julue deserts his post; afterward, troops in Monrovia loot shops.

July 19—The rebels say they are abandoning peace talks in Sierra Leone and that they intend to force President Doe out of office.

July 27—In a broadcast from a radio station under rebel control, rebel leader Charles Taylor says he has overthrown Doe and proclaims himself the leader of a new government.

July 30—Reuters news service reports that on July 29, Doe loyalist troops fired machine guns at close range at people who had taken refuge in a church in Monrovia, killing at least 300; the refugees are believed to be from the Gio and Mano tribes, which have supported the rebels.

MONGOLIA

July 22—Mongolia's 1st multiparty election is held to choose local, provincial and national legislators.

July 24—Results of the July 22, 1st round elections show that the Communist party has won a majority.

July 31—Communist party officials report that in the 2d round of voting, held July 29, the party won more than 70 percent of the seats in the 430-seat Parliament; they say that opposition groups will be invited to join the government.

NICARAGUA

July 9—Four people are killed and 42 are injured when violence erupts during a week-long, Sandinista-led strike by government workers.

July 10—Riot police bulldoze roadblocks thrown up by Sandinista strikers, but state-run banks, many stores and public transportation remain shut down.

July 12—The government and Sandinista representatives agree to a package of job guarantees, wage increases and political concessions; the 10-day strike ends.

PERU

(See also *U.S., Foreign Policy*)

July 28—Alberto Fujimori is inaugurated President of Peru.

PHILIPPINES

July 16—An earthquake strikes that measures 7.7 on the Richter scale; the epicenter is 55 miles north of Manila; at least 127 are killed.

POLAND

(See also *Germany, West*)

July 1—Delegates from local political committees reject Prime Minister Tadeusz Mazowiecki's suggestion to form a federation supporting the government; they prefer to remain under the leadership of a committee led by Solidarity head Lech Walesa.

July 6—Mazowiecki dismisses 5 prominent Communist members of his Cabinet; he says that Poland will soon hold completely free elections for Parliament and President.

July 13—The lower house of Parliament approves a plan to give every citizen a share in state-owned companies that are expected to be privatized; up to 20 percent of the shares are to be reserved for workers.

July 19—In an interview on Polish television, President Wojciech Jaruzelski says he is willing to give up his office to a freely elected successor.

ROMANIA

July 19—In Timisoara, more than 10,000 protesters gather to demand that the government release dissidents arrested dur-

ing political unrest in June. They also ask President Ion Iliescu to resign because of residual Communist elements in his government.

SAUDI ARABIA

(See also *China*)

July 2—In a pedestrian tunnel leading to Mecca, 1,400 Muslim pilgrims are suffocated or trampled to death; diplomats say that the stampede began after the air-conditioning system broke down. The pilgrims were in Mecca for the annual hajj.

SIERRA LEONE

(See *Liberia*)

SOUTH AFRICA

(See also *U.K., Great Britain*)

July 4—In Johannesburg, a bomb explodes at the offices of an Afrikaans-language newspaper; last week the paper reported on a right-wing plan to assassinate President F.W. de Klerk and African National Congress (ANC) deputy president Nelson Mandela. This is the 4th bombing in 5 days attributed to right-wing whites who oppose dismantling apartheid.

July 14—At a conference of Inkatha delegates, Zulu Chief Mangosuthu Gatsha Buthelezi calls for transforming Inkatha into a multiracial political party to prevent the ANC from monopolizing political power.

July 20—After an hour-long meeting between de Klerk and Mandela, the government announces that it will hold talks with the ANC beginning August 6.

July 27—De Klerk urges Mandela not to include Communist party leader Joe Slovo in negotiations between the government and the ANC.

July 28—The Communist party holds its 1st public rally since it was banned 40 years ago; the ban was lifted in February.

SRI LANKA

July 7—In continued fighting between the Tamil Tiger rebels and government security forces in the east, at least 66 people are killed. A cease-fire agreement, in effect for 13 months, was broken on June 11.

July 24—All 11 members of Parliament from the Eelavur Democratic Front resign to protest the military's "atrocities" against Tamil rebels; the party is believed to have close ties to the Tamil Tiger rebels.

SYRIA

(See *Egypt; Lebanon*)

TAIWAN

July 4—Ending a 5-day national conference on Taiwan's future, delegates call for popular presidential elections.

TRINIDAD AND TOBAGO

July 27—Muslim rebels led by Abu Bakr take over the Parliament building and hold Prime Minister Arthur N.R. Robinson and his Cabinet captive.

July 30—Robinson's captors shoot him in the legs and feet. On July 29, he offered to resign and call early elections if the rebels released him and the other hostages, but talks are stalled. 27 people are reported dead and 300 wounded in the coup attempt.

July 31—Robinson is freed, but 40 hostages are still held.

U.S.S.R.

(See also *Intl, Group of Seven, NATO; Japan; U.S., Foreign Policy*)

July 2—Prime Minister Nikolai I. Ryzhkov says that the government's economic blockade of Lithuania has been lifted.

July 3—On the 2d day of the 28th Communist party congress, Yegor K. Ligachev, a conservative member of the Politburo, calls President Mikhail Gorbachev's 5-year rule a period of "blind radicalism"; his remarks are enthusiastically received by party members.

July 6—At the party congress, President of the Russian republic Boris N. Yeltsin says that the party should change completely or it will be "dragged from legal power" by the Soviet people.

July 7—The Moscow City Council votes to give Moscow's entire apartment housing stock to its tenants for free, under a new law that declares the city is the owner of land in Moscow.

The party congress votes to evaluate individually the performance of members of the Politburo; after Gorbachev says that such an evaluation will tear the party apart, it reverses the vote, deciding instead to judge the Politburo as a group.

July 9—At the party congress, delegates vote to include the party leaders of the republics in an expanded Politburo; this will double the size of the Politburo, dilute the ability of conservatives to control it and, it is hoped, alleviate pressure in the republics to sever ties with the central Communist party.

July 10—Gorbachev is reelected General Secretary of the Communist party. This is the 1st time the post has been filled through a nationwide party vote rather than through a selection by a small circle of leaders.

July 11—Coal miners hold a day-long nationwide strike to demand that the government resign and that localities be granted more authority in industry and labor.

The congress elects as Deputy General Secretary Vladimir A. Ivashko, president of the Ukraine and a Gorbachev ally.

July 12—Yeltsin resigns from the Communist party to concentrate on running the Russian republic. Subsequently, leaders of the Democratic Platform announce that they will form a "democratic coalition" outside the party.

July 13—The party congress ends. Opposition leaders Gavril K. Popov, the mayor of Moscow, and Anatoly A. Sobchak, the mayor of Leningrad, resign from the party.

July 14—The party reorganizes its Politburo; high-level government ministers will no longer serve on the Politburo, leaving only Gorbachev with top posts in both the party and the government.

July 15—Gorbachev says that state television and radio should be run "independent of political organizations" and should provide "impartial" news.

Outside the Kremlin, thousands of anti-Communist protesters vow to force the Communists from power.

July 16—The Ukrainian parliament adopts a declaration of sovereignty; Ukrainian laws take precedence over Soviet authority.

Ending a 2-day meeting with West German Chancellor Helmut Kohl, Gorbachev agrees to allow a united Germany to join NATO; he renounces all restrictions on German sovereignty and agrees to a schedule to withdraw Soviet troops from East Germany. In exchange, Kohl agrees to limit the size of the future German military, permit Soviet troops to remain in East Germany for a 3-to-4-year transition period and prohibit the stationing of NATO troops in East Germany. Germany will negotiate a treaty outlining future Soviet-German relations.

July 25—Gorbachev orders separatist militants in Armenia to disarm within 15 days or risk the arrival of Soviet troops.

July 27—The Byelorussian parliament approves a declaration of sovereignty, but stops short of declaring independence; the declaration proclaims that the republic's laws take precedence over Moscow's laws.

July 28—The leaders of Estonia, Latvia and Lithuania refuse to participate in talks with Gorbachev on a treaty that would establish a looser federation of the 15 republics; they demand that he recognize their independence.

UNITED ARAB EMIRATES

(See *Intl, OPEC; Iraq; U.S., Foreign Policy*)

UNITED KINGDOM

(See also *Japan*)

Great Britain

July 3—ANC deputy president Nelson Mandela meets Foreign Secretary Douglas Hurd in London to talk about prospects for ending South Africa's racial conflicts.

July 4—Mandela meets Prime Minister Margaret Thatcher; Mandela says their discussions were "productive," but they disagree on the use of sanctions and violence in ending apartheid.

July 12—In a magazine interview published today, Minister of Trade and Industry Nicholas Ridley says that West Germany is trying to take over Europe and that relinquishing sovereignty to the European Community (EC) is comparable to surrendering to Adolf Hitler; he later withdraws these comments.

July 14—Ridley resigns from the Cabinet. Thatcher appoints Peter Lilley to succeed him.

July 20—Before the Exchange opens for business, a bomb explodes at the London Stock Exchange after police and news organizations received a warning from the Irish Republican Army (IRA). No one is reported injured.

July 25—Defense Secretary Tom King says that by the mid-1990's Britain plans to withdraw half its 66,000 troops from West Germany and to reduce Britain's armed forces by 18 percent.

July 30—In Hankham, a car bomb explodes, killing Ian Gow, a Conservative member of Parliament and Thatcher's former private secretary.

July 31—The IRA says it killed Gow because he helped to develop the government's policy on Northern Ireland.

Northern Ireland

(See *U.K., Great Britain*)

UNITED STATES

Administration

July 3—Energy Department Director of Environmental Management Leo Duffy estimates that the cost of cleaning up radioactive and toxic waste at 17 nuclear weapons plants in 12 states will cost \$28.6 billion over the next 5 years.

July 5—The Justice Department files suit against the 54,000-member American Institute of Architects, claiming it unreasonably restrained price competition.

July 11—Energy Secretary James Watkins releases a report saying that radiation released from the government's Hanford plant in Richland, Washington, an atomic weapons plant, in the 1940's and 1950's was of sufficient degree to cause illness and cancer, particularly in children.

Economy

July 6—The Labor Department reports that the nation's unemployment rate declined slightly to 5.2 percent in June.

July 13—The Labor Department reports that its producer price index rose 0.2 percent in June.

July 16—The New York Stock Exchange's Dow Jones Industrial Average of 30 blue chip stocks closes at a new record high of 2,999.75.

The administration raises its figure for the projected budget deficit for fiscal 1991 to \$168.8 billion (\$231.4 billion if the savings and loan bail-out is included); in June the administration projected a deficit of \$100.5 billion.

July 17—The Commerce Department reports that the nation's foreign trade deficit in May rose to \$7.73 billion.

July 27—The Commerce Department reports that the nation's

gross national product (GNP) grew at an annual rate of 1.2 percent in the 2d quarter of 1990; the department issued revised figures of an annual growth rate of 1.6 percent in the 2d quarter of 1989 and 1.7 percent in the 3d quarter of 1989 instead of 2.6 percent and 3 percent, respectively.

July 30—L. William Seidman, chairman of the Resolution Trust Corporation and of the Federal Deposit Insurance Corporation (FDIC), tells Congress that it will cost \$100 billion in fiscal 1991 to continue bailing out failed savings and loan associations.

July 31—Seidman says that because of the record number of commercial bank failures and the weak real estate market, the FDIC may lose as much as \$2 billion in 1990.

Foreign Policy

(See also *Intl, ASEAN, UN; Cambodia; China; Greece; Iran; Japan; Liberia*)

July 10—The State Department advises Americans to defer nonessential trips to Kenya because of unsettled conditions there.

July 13—The State Department announces that the U.S. has accepted an offer by the Vietnamese-backed Cambodian government of Hun Sen to cooperate in finding the remains of U.S. servicemen listed as missing in action (MIA's) in the Vietnam war.

July 16—President George Bush says that the decision of the Soviet Union to accept a united Germany as a member of NATO is "in the best interests of the countries of Europe, including the Soviet Union."

July 18—Secretary of State James Baker 3d announces that the U.S. will no longer recognize the coalition of Cambodian opposition groups that currently includes the Khmer Rouge; Baker says that the U.S. will open negotiations with Vietnam in an attempt to settle the conflict in Cambodia.

Meeting in Paris with Soviet Foreign Minister Eduard Shevardnadze, Baker presents a list of economic assistance projects with which the U.S. is prepared to aid the Soviet Union; the projects will involve technical but not financial aid.

The Justice Department announces new regulations that will make it easier for aliens to apply for asylum in the U.S. and establish that they "have a well-founded fear of persecution in their homelands."

July 20—Assistant Secretary of State for East Asian and Pacific Affairs Richard Solomon tells Congress that China has agreed to halt arms shipments to the Khmer Rouge and to assist in disarming all forces in Cambodia.

July 23—President Bush announces a decision, effective August 1, to extend trade concessions, expand agricultural development and offer other concessions to Ecuador, Colombia, Bolivia and Peru, to help them develop alternatives to their production and export of cocaine.

July 24—U.S. and EC negotiators in Geneva suspend their talks for a month because they are unable to resolve differences over farm subsidies.

Unnamed White House officials report that the U.S. is deploying additional air and sea forces in a "training exercise" in the Persian Gulf; this is an apparent response to Iraqi President Hussein's threatened use of force against Kuwait and the United Arab Emirates because of their overproduction of oil.

Labor and Industry

July 26—The General Electric Company agrees to pay a fine levied on its subsidiary Management and Technological Services Company, which was convicted in February of overcharging and defrauding the Defense Department of \$16.1 million; the fines are part of a \$30-million sentencing agreement between the company and the Defense Department.

Legislation

July 4—The General Accounting Office (GAO) reports that some 27,528 items of equipment and chemicals worth \$45 million are missing from the Lawrence Livermore Laboratory, operated by the University of California and owned by the Energy Department.

July 12—The House votes, 377 to 28, to approve the Americans with Disabilities Act, which is designed to prevent discrimination against those with physical and mental disabilities.

July 13—The Senate votes, 91 to 6, to pass the Americans with Disabilities Act.

July 25—The Senate votes, 96 to 0, to denounce Senator David Durenberger (R., Minn.) for bringing "dishonor and disrepute" to the Senate; Durenberger is also ordered to pay restitution for his improper financial dealings.

The House fails by 53 votes to override President Bush's veto of the Family and Medical Leave Act; the vote was 232 to 195.

July 26—The House votes, 408 to 18, to reprimand Representative Barney Frank (D., Mass.) for breaches of ethical conduct.

President Bush signs the Americans with Disabilities Act of 1990.

Military

July 1—In a classified report made public today, Inspector General of the Air Force Lieutenant General Bradley Hosmer discloses that during the invasion of Panama the F-117A Stealth bombers failed to hit their targets accurately; earlier reports claimed "pinpoint accuracy" in the attacks.

July 14—The Office of the Assistant Secretary of the Army for Manpower and Reserve Affairs announces the Army's plans to close Reserve Officers Training Corps (ROTC) units at some 50 locations in 27 states by the end of the academic year 1990-1991.

Political Scandal

July 20—In Washington, D.C., a 3-judge panel of the U.S. Court of Appeals suspends the 3 counts on which former national security assistant Oliver North was convicted in the Iran-contra affair; 1 count was overturned and the other 2 were sent back to the trial court for re-examination of the evidence.

Supreme Court

July 20—Associate Justice William Brennan Jr. resigns, effective immediately; the 84-year-old Brennan, appointed by President Dwight D. Eisenhower, has been considered the Court's leading liberal.

July 23—President Bush nominates U.S. Appeals Court Judge David H. Souter of New Hampshire to succeed Brennan as an Associate Justice of the Supreme Court; Souter must be confirmed by the Senate.

VIETNAM

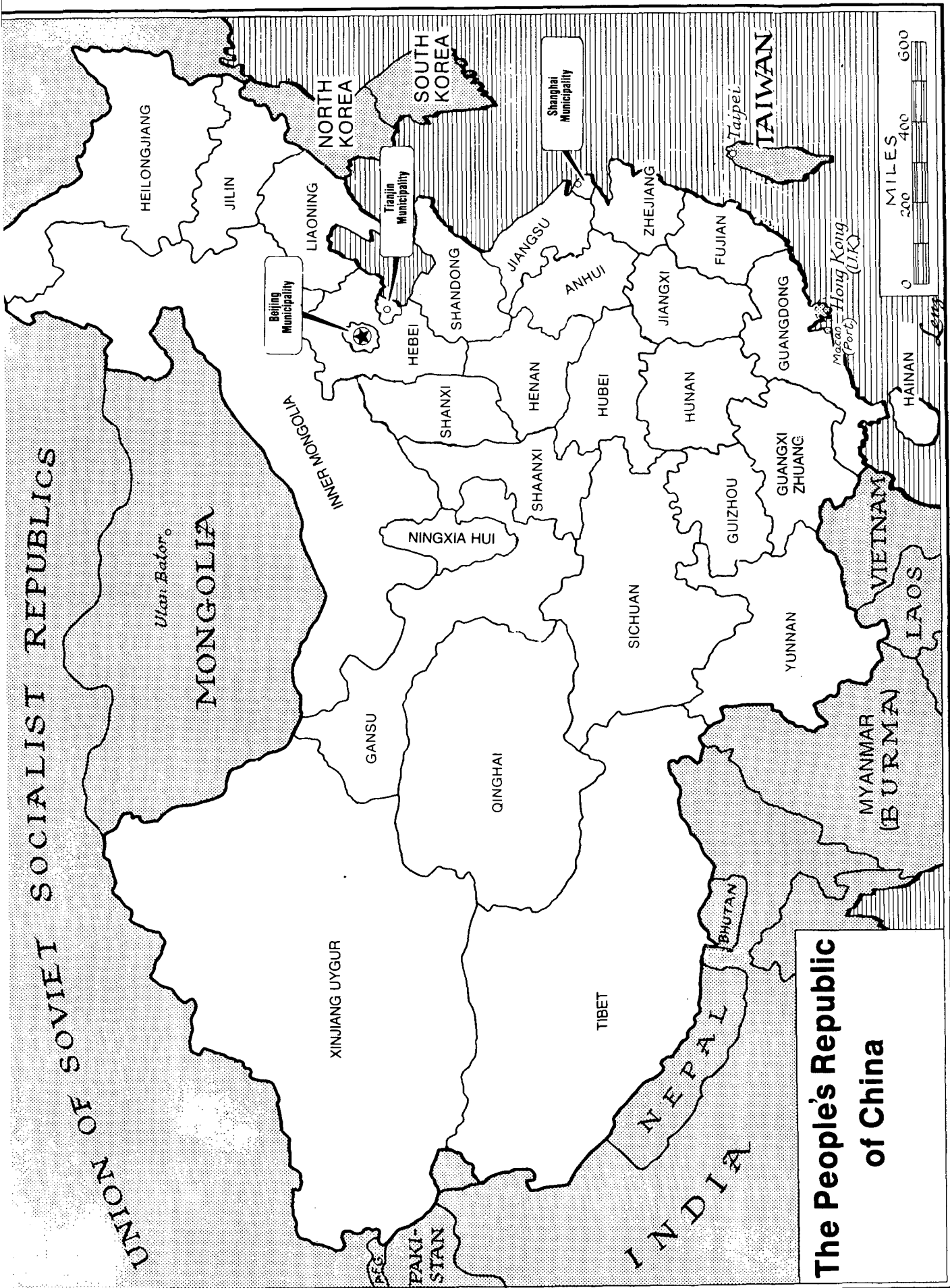
(See *Intl, ASEAN, UN; China; U.S., Foreign Policy*)

YUGOSLAVIA

July 2—Ethnic Albanian members of the Kosovo legislature declare the region a separate territory within the Yugoslav federation. The majority (90 percent) of Kosovo's inhabitants are ethnic Albanians.

July 5—The parliament of the Serbian republic suspends the autonomous government of the Kosovo region.

July 6—The state president orders Slovenia's parliament to rescind its July 2 declaration that the republic's constitution and laws take precedence over those of the Yugoslav federation.



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